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THE TRADE OF SOUTH FORMOSA
1887-1909**

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AND FINANCE.**

CHINA.

REPORT FOR THE YEAR 1887
ON THE
TRADE OF TAIWAN.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 156.

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CHINA.

TAIWAN.

Consul Warren to the Marquis of Salisbury.

My Lord,

Taiwan, February 28, 1888.

I HAVE the honour to forward herewith my Report on the Trade of this Port during the year ended December 31, 1887.

I have, &c.

(Signed) PELHAM L. WARREN.

Taiwan Trade Report for 1887.

The total value of the trade in 1887 was 694,758*l.*, being 38,175*l.* in excess of the previous year. Imports improved to the extent of 8,915*l.*, whilst the increase in exports amounted to 29,260*l.*

The sugar crop was unusually large; amounting to about 104,000 tons. Of this only 32,944 tons were exported in foreign bottoms, the remainder being carried by junks to various ports on the mainland. So large an export by junk has hitherto been unknown, and is only to be explained by the unequal incidence of the new lekin tax, which enabled native craft to compete successfully with foreign; the result being that notwithstanding that the crop was the largest known, the foreign tonnage employed was below the average of former years. There was an actual increase of tonnage employed as compared with 1886; but a very slight one, the total being 105,587 tons, as against 103,076 tons.

The Japan market being rather more favourable than during the previous year, it was found practicable to run a steamer from Takow to Yokohama regularly during the sugar season, the trade hitherto having been carried on entirely by sailing-vessels.

Of the sailing-vessels employed only 41 were British, as against 66 German, and 16 under other foreign flags. On the other hand, 66 British steamers found employment here, and 22 only of other nationalities; of these latter 6 were Chinese. As regards tonnage, the division was 67,689 British, against 37,898 under other flags, including Chinese.

The average exchange during the year was barely 3*s.* 2*d.* to the Exchange Mexican dollar.

IMPORTS.

The total imports reached the value of 396,998*l.*

The import of opium increased somewhat, although the table of imports annexed to this report shows a falling-off. This is accounted for by there being 286 chests still in bond at the close of the year, the Customs' returns dealing only with drug that had been taken delivery of after paying duty and lekin at the Custom-house.

(423)

In consequence of the partial failure of the Persian opium crop, prices towards the close of the year were very high, so that the value of the opium imported, as shown by the table, was in excess of the value of the total import in 1886, and there still remains to be added the value of the 286 chests in bond.

Effects of
Opium Con-
vention.

There is nothing of interest to report concerning the opium trade here. Persian still holds its own, and Indian is little in demand.

Since the coming into force of the Opium Convention, the trade here has shown a tendency to fall into the hands of Chinese merchants, some of whom purchase their drug at Hong Kong, instead of, as formerly, from foreign merchants at the port.

Considerable quantities of opium are said to have been imported by junk into Lokkang, but there is no reason to believe that it has evaded duty or lekin. The import is probably simply against sugar exported in junks from the small ports in the neighbourhood of Lokkang. On the whole, the new system of collection of duty and lekin by the Imperial Maritime Customs appears to work well at this port.

Native opium.
Piece-goods.
Slight in-
crease in
import.
Proposed
imitation of
native cloths
by the Bom-
bay mills.
Kerosene oil.

No further attempts have been made to introduce the cultivation of the poppy into this part of the island of Formosa.

Cotton piece-goods, as shewn by the table of imports, have been imported to a somewhat greater extent than in 1886, but the trade is still unusually small and shows little signs of permanent improvement. Manchester imitations of native goods having failed, it is now proposed to try what can be done in this direction by the Bombay mills.

The imports of kerosene oil has fallen to 81,016 gallons from 131,880 in the previous year.

EXPORTS.

Sugar.

The total export of sugar was 32,944 tons; of this 31,127 tons were brown and the remainder white.

Market price.

The market price for brown sugar ranged from 2 dol. 5 c. to 2 dol. 75 c. per picul, or from 5*l.* 10*s.* to 7*l.* 5*s.* per ton.

Large quan-
tities carried
in junks.

In March, the market was considerably affected in consequence of a large influx of junks into the small ports to the north of Taiwanfoo. These junks loaded sugar for various non-Treaty ports on the mainland and, being able to some extent to avoid payment of lekin, were in a position to pay higher prices for their sugar than shippers in foreign vessels could afford. The result was a falling-off in shipments by foreign vessels to Ningpo, Shanghai and Chefoo, as the districts usually supplied through these ports obtained their supplies direct by junk. The export of white sugar is at all times principally in the hands of the junk-owners, and the very small increase this year of the export in foreign bottoms shews,—taking into consideration the largeness of the crop—that the junks must have largely increased their trade in this direction also.

Injury to
foreign
shipping.

White sugar.

Export to
foreign
countries.
Turmeric.

With the exception of Hong Kong, which took some sugar—chiefly for re-export—and Japan, there was no export to foreign countries.

Turmeric showed a falling-off, the total value of the export amounting only to 10,483*l.* as against 14,205*l.* in 1886.

Rice.

Rice was not exported to any extent, the crop having partially failed.

Hemp.

The export of hemp and various grasses increased somewhat, the value of the trade being 4,505*l.*, whereas in 1886 it was only 2,481*l.*

Salt.

Salt, of which 38,793 piculs were exported in foreign bottoms during 1886, does not appear in the returns this year.

Camphor.

In consequence of the renewal of the Government monopoly of camphor all efforts to revive this trade have failed, whilst the losses

of those who engaged in it have been very great, and the larger part of their camphor having been seized by the local authorities, the export has been practically *nil*. No British merchant has ventured money in this direction.

Some 600 junks were employed during the year in the trade **Junk trade.** between ports on the mainland and Taiwanfoo, Lokkang, and other ports on the west coast of Formosa. The carrying-capacity of these junks varies considerably. The largest carry 2,000 baskets of sugar, equal to, say 154 tons, and trade principally to Chiao-chow, a port in Shantung—the freight charged being 80 cents a basket. To Ningpo the freight is 60 cents a basket, and to Amoy, Chinchew, Foochow and Wénchow 40–45 cents. To these last-mentioned ports junks, in addition to sugar, carry rice, oil-cake, sesamum and hempseed.

The effects of the *lekin* imposed on exports have been highly **Lekin.** injurious to the trade in general, not on account only of the higher prices that ruled in consequence, but to a far greater extent from the unequal incidence of the tax.

The levy was made with comparative facility on exports in foreign bottoms, whilst considerable difficulty was experienced in collecting it on junk cargoes. The result was that a large amount of produce shipped in junks avoided payment entirely, and the remainder paid at a reduced rate, the collectors accepting merely a nominal sum in order to avoid the trouble and expense of enforcing payment in full. As might have been expected, the export in junks increased enormously, to the detriment both of the foreign shipping trade and the Chinese revenue. 71,000 tons of sugar alone are reported to have been thus exported from Taiwanfoo and the small ports to the northward, as against 32,944 tons sent from the Treaty port in foreign bottoms. None of this sugar paid any export duty, and the *lekin* actually levied did not in most cases exceed 4 cents per picul.

The export duty on brown sugar is 18 cents per picul, and the *lekin* 9 cents, both of which were duly levied on exports in foreign vessels; the junks had, therefore, an advantage over foreign vessels to the extent of 23 cents per picul as far as duties are concerned.

The Chinese authorities still insist upon their right to levy *lekin* on produce in the possession of foreigners at the Treaty port, and this has in some instances been paid under protest. In one case, the foreigner's cargo was seized, and, on his still declining to pay, was confiscated.

As long as the Foreign Customs, Native Customs, and *Lekin* are in different hands, every fresh tax imposed will benefit native trade at the expense of foreign trade and Chinese revenue. The shippers in native craft are all in a position to make terms with the Chinese officials, in whose hands rests the collection of *lekin* and Chinese Customs' duties; whilst the foreign shipper is compelled to pay both tariff export duty and *lekin* in full.

A telegraph cable has been laid between Anping and the Pescadores. **Telegrapha.** A land line is in process of construction between Taiwanfoo and Tamsuy which, when completed, will place South Formosa in direct telegraphic communication with the outer world at Tamsuy, is already connected by cable with Foochow.

RETURN of all Shipping at the Port of Taiwan in the Year 1887.

ENTERED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	20	6,873	32	26,007	52	32,880
Chinese ... ..	...	...	3	1,201	3	1,201
German	34	11,185	3	891	37	12,076
Danish	6	1,544	5	3,845	11	5,389
Swedish-Norwegian	2	579	...	...	2	579
Total	62	20,181	43	31,944	105	52,075
„ for 1886...	50	18,201	46	33,774	96	51,975

CLEARED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	21	7,247	34	27,562	55	34,809
Chinese ... ..	...	...	3	1,201	3	1,201
German	32	10,843	3	891	35	11,734
Danish	6	1,544	5	3,845	11	5,389
Swedish-Norwegian	2	579	...	...	2	579
Total	61	20,013	45	33,499	106	53,512
„ for 1886...	50	18,076	44	33,025	94	51,101

RETURN of the Principal Articles of Export from Taiwan during the Years 1886-1887.

Articles.	1887.				1886.			
	Quantity.		Value in sterling.		Quantity.		Value in sterling.	
	Cwt.	lbs.	£	s.	Cwt.	lbs.	£	s.
Ground-nut cake	12,906	8	2,704	0	3,706	21	583	15
Hemp	1,894	19	4,505	5	1,061	15	2,481	5
Lung-nan pulp	3,514	87	3,983	0	3,693	26	3,690	10
Salt ... ..	...	...	...	...	46,183	4	8,478	10
Sugar, brown	622,551	29	238,161	5	431,935	56	205,440	5
Sugar, white	36,329	34	30,869	0	32,719	93	27,118	0
Turmeric	20,060	109	10,483	10	29,180	32	14,306	0
Miscellaneous ... ..	...	...	7,064	10	...	...	6,502	15
Total exports ... ..	...	...	297,760	10	...	...	268,500	0
Re-exports—	...	...	...	...	...	...	...	...
Foreign goods... ..	...	...	4,009	15	...	...	10,495	10
Native produce ... ..	...	...	144	10	...	...	177	5
Total exports and re-exports	...	...	301,884	15	...	...	279,175	15

31 sterling equal to 4 Halkuan taels. 1 cwt. equal to 84 catties.

RETURN of the Principal Articles of Import into Taiwan during the Years 1886-1887.

Articles.	Classifier of quantity.	1887.		1886.	
		Quantity.	Value in sterling.	Quantity.	Value in sterling.
Foreign goods.			£ s.		£ s.
- Opium—					
Malwa	Cwt. lbs.	40 86	4,547 5	...	...
Benares	"	682 97	68,454 0	637 92	50,144 5
Persian	"	2,356 28	210,708 0	1,306 67	92,314 10
Turkey*	"	75 86	8,363 10	1,788 64	138,222 0
- Shirtings, grey	Pieces ...	21,721	8,206 10	10,610	4,155 10
" white plain	" ..	11,107	8,309 18	8,108	4,715 10
- T-cloths	" ..	10,974	3,457 8	8,787	3,265 0
- Camlets, English	" ..	3,109	7,914 5	2,530	6,484 10
Kerosene oil	Gallons...	81,016	3,908 10	131,690	4,601 5
Miscellaneous ... ..	...	...	37,460 5	...	36,317 10
Native produce—					
Mat and straw bags	Pieces ...	636,200	3,664 10	379,710	2,938 0
Medicines	Value ...	...	5,554 5	...	3,751 15
Nankens	Cwt. ...	...	...	272 20	2,402 0
Silk piece-goods	" ...	27 17	2,730 0	66 67	6,557 0
Miscellaneous ... ..	...	...	37,820 5	...	32,194 5
Total imports ... ..	...	...	396,998 5	...	398,083 0

* Really a variety of Persian.

£1 sterling equal to 4 Haikuan taels. 1 cwt. equal to 84 catties.

TABLE showing the Total Value of all Articles exported from Taiwan, and imported into Taiwan, from and to Foreign Countries during the Years 1886 and 1887.

Country.	Exports.		Imports.	
	1887.	1886.	1887.	1886.
	£ s.	£ s.	£ s.	£ s.
Great Britain ..	...	...	...	...
Hong Kong ..	30,166 15	22,709 5	322,247 0	307,223 10
British America ..	...	14,275 0	...	...
Japan ..	118,792 0	77,409 0	882 10	2,186 0
United States ..	...	27,615 10	...	...
Total ..	148,958 15	142,008 15	323,129 10	309,409 10

£1 sterling equal to 4 Haikuan taels.

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435. Warsaw	1d.	496. Guayaquil	1d.
436. Porto Rico	1d.	497. Rome	1d.
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448. Nice	1d.	509. Colonia	1d.
449. Stettin	2d.	510. Marseilles	1d.
450. Fiume	1d.	511. Kiukiang	1d.
451. Chinkiang	1d.	512. Buda Pesth	2d.
452. The Hague	1d.	513. Wenchow	10d.
453. Malaga	1d.	514. Coquimbo	1d.
454. Taganrog	1d.	515. Charleston	1d.
455. Mozambique	1d.	516. Riga	1d.
456. Bogotá	2d.	517. Mollendo	1d.

CHINA.

TAIWAN.

Acting-Consul Playfair to the Marquis of Salisbury.

My Lord,

Taiwan, February 25, 1889.

I HAVE the honour to enclose my Report on the Trade of Taiwan for the year 1888.

I have, &c.

(Signed) G. M. H. PLAYFAIR.

Trade Report for 1888.

The total trade of the port of Taiwan in 1888, including re-exports, and expressed in sterling, amounted to 693,711*l.*, as against 703,981*l.* in 1887, showing a falling-off of 10,270*l.* This decrease is, however, more apparent than real, and is due to the fall in value of silver. The amount of last year's trade in taels was 2,978,046 Haikuan taels, as against 2,815,924 Haikuan taels in 1887, so that, expressed in a silver unit of value, there has been an increase in exports and imports of 157,122 taels. Total trade.
Apparent decrease
owing to fall
in exchange.

In this actual increase exports, mainly brown sugar, claim the largest share; of imports, opium has increased in quantity but fallen in relative value; kerosene oil has nearly doubled in amount, while piece goods have diminished by about 6,500 pieces. A remarkable advance is observable in the export of Lung-ngan pulp, amounting to 9,000*l.* This was due to the failure of the crop at Canton. On the other hand, ground-nut cake, which figured to the extent of 12,906 cwts. in 1887, is absent from the list of exports in 1888; the export of camphor has trebled itself; the fluctuations in other articles have been so slight as to require no special notice. Principal articles in
which an
increase or
decrease is
observable.

The total number of vessels which entered and cleared is 194 in 1888, as against 211 in 1887; of the former, 123 were sailing vessels totalling 40,144 tons, and 88 steamers totalling 65,443 tons, while in 1888 there were only 79 sailing vessels of 31,030 tons, as against 115 steamers of 77,705 tons, showing a total increase of 3,148 tons. The vessels employed in the trade last year were exclusively German and British, in the proportion of 71 of the former to 123 of the latter. Of the entries and clearances, 85 were British steamers, 38 British sailing vessels, the corresponding numbers for the German shipping being 30 and 41.

The steady demand which has set in from Japan and the ports of (643)

North China for South Formosa sugar accounts for the increasing steam tonnage employed.

Brown sugar.

The year 1888 was marked by an unusually good out-turn of sugar, the export of brown sugar in foreign bottoms amounting to 733,130 cwts., as against 622,551 cwts. in 1887. The total out-turn was estimated at over 770,000 cwts., about 37,000 cwts. being exported in junks from Taiwan Fu and the non-treaty ports of Lokkang and Pungkang. Of the brown sugar which passed through the foreign Customs, 52 per cent. was shipped at Takow, and 48 per cent. at Taiwan. It may be said that all Takow sugar is exported to Japan, and all Taiwan sugar to the ports of North China. By exception Taiwan sugar to the amount of 48,500 cwts. was last year shipped to Yokohama, the price in April being from 10 c. to 15 c. per picul lower than that of the Takow article, but it found no market in Japan, and this exception only serves to confirm the rule. The preference shown by Japan for Takow produce and by North China for that of Taiwan is merely sentimental, as may be shown by a curious circumstance in connection with the trade. A certain sugar district half-way between Taiwan and Takow sends its produce to one port or the other, according as the one or the other offers the best market to the producer. This particular crop is therefore sometimes exported as Takow and sometimes as Taiwan sugar. In the former case it is useless to send it to North China, but it is readily disposed of in Yokohama; in the latter case, Japan looks at it with disfavour while Tientsin accepts it willingly.

Takow market.

The Takow market opened in January at 2 dol. 55 c. per picul for first shipments or 2 dol. 50 c. for forward delivery. At the latter rate a large business was done for Japan. By the end of March the rate rose to 2 dol. 80 c. and 2 dol. 85 c. Heavy shipments in May depressed the Japan market, and the balance of sugar in Formosa was kept back till July, when some 72,000 cwts. were shipped. The following were the average prices at Takow during the first half-year:—

					Dol. c.	Dol. c.
January	..	..	..	..	2 55 to	2 60
February	..	..	..	..	2 55	2 60
March	..	..	..	..	2 60	2 82½
April	..	..	..	..	2 85	3 10
May	..	..	..	..	3 00	2 90
June	..	..	..	..	2 85	2 70

The great feature of the year was the pressing demand for Takow sugar in Japan during the early part of the season. With the exception of about 7,000 cwts. shipped to Chefoo, all Takow sugar went to Japan, Yokohama taking 358,110 cwts. and Kobe 13,146 cwts.

When Takow prices sank in January to 2 dol. 50 c. per picul, business with Great Britain was nearly practicable. If the demand in Japan had not been so large, rates would probably have declined in March to 2 dol. 40 c. or 2 dol. 30 c., when, with the low rate of exchange prevailing, shipments to Europe would have taken place, and probably to Canada also. Business with the United States is rendered practically impossible by the sugar rings in that country.

Taiwan market.

At Taiwan the sugar trade is more in the hands of native shippers than at Takow, as the markets are the North China ports, where it is difficult for foreign sellers to compete with Chinese. The principal ports to which shipments are made are Chefoo and Tientsin, and a better grade of sugar finds a market at Shanghai and Ningpo.

The market for "Tioug Tan" (middling) quality, sent to Chefoo

and Tientsin, opened at 3 dol. 10 c. per picul, and 107,143 cwts. were shipped to Chefoo and Tientsin in the first two months of the year. Prices dropped later to 2 dol. 80 c. and 2 dol. 70 c., and would have further declined had not the purchases before mentioned been made for Japan. Exports to Chefoo and Tientsin for the season reached a total of 132,752 cwts. and 131,233 cwts. respectively, which is an advance on previous years, but on the whole business was unsatisfactory and buyers backward, owing to the widely-prevalent distress caused by the floods in Shantung.

The total export of white sugar from Taiwan Fu was over 45,000 cwts., White sugar. which has been about the average quantity for the past three years, but less than was customary before the Hong Kong refineries entered into the competition. Refining by the rude native processes cannot compare for cheapness and efficiency with foreign methods, and there is likely to be a progressive decrease in the shipments of this article. The greater part of the above 45,000 cwts. was exported to Hong Kong, and re-exported thence to native ports as foreign produce, so as to benefit by transit pass advantages on re-arrival in China.

The mention of refineries makes this an appropriate opportunity to point out that a considerable loss to Formosa, China, and foreign sugar markets is caused by the obstinate refusal of sugar growers, or more strictly speaking, of the middlemen in the sugar trade, to accept and use the improved appliances for crushing the cane and refining the juice, which have been brought to their notice, and even offered to them on extremely favourable terms by Europeans. In the native mills the sugar-cane has to be crushed three times, the process is slow, and the result inadequate. For by the use of certain inexpensive foreign appliances, the juice might be extracted at one crushing, and there would be an increase of 30 per cent. in the quantity extracted. Yet, because the middlemen apprehend a diminution of their present profits, sugar remains, and is likely to remain, to the extent of the percentage mentioned, a waste product in Formosa. The real explanation of this obstinate conservatism is that the sugar grower is not the sugar crusher. The latter is also at once middleman and mill-owner; he owns a transportable mill which is removed from one sugar farm to another during the crushing season; the extracted juice becomes the middleman's property, a certain percentage of it being handed back to the farmer. It is perhaps only what might be expected that the middleman and mill-owner should object to the farmer becoming proprietor of a simpler and more effective mill of his own. Hitherto the foreign introducer of mills has only approached the sugar farmer with his wares. This, I fancy, is a mistake, and a more successful result might be obtained were the advantages of the foreign apparatus pressed on the attention of the native mill-owner.

Attempt to introduce foreign crushing mills.

Disadvantages of native processes.

The question of improved methods of refining is cognate, but involves widely different conditions. The native process might easily be bettered, but it still would remain open to doubt whether the price of the out-turn could be sufficiently reduced to face with any prospect of success the competition of the Hong Kong refineries, even were improvements in crushing and refining to go hand in hand.

In 1888 there was a marked increase in the shipments by steamer as compared with sailing vessels. From Takow (and by exception from Taiwan) to Japan, steam carried some 300,000 cwts. as against 100,000 cwts. by sail. To Tientsin the shipments were about 73,000 cwts. and 58,000 cwts. respectively. In the carrying trade to Chefoo sailing vessels still hold their own.

Increase of shipments by steamer.

For various reasons next year's crop is not expected to exceed (648) Next year's prospects bad

450,000 cwts., or 40 per cent. less than in 1888, and the quality is also expected to be deficient. The weather in the past summer was unfavourable, especially in August, when heavy rains prevailed. The insurrection in Central Formosa, during which much of the sugar country was laid waste and the growing crops burnt by the soldiery, will also contribute to the anticipated failure. For sundry reasons, likewise, merchants look for a falling-off in the demands from Japan and Chefoo.

Opium.

During the first three-quarters of the year the trade in opium in South Formosa maintained its usual level, but owing to the disturbances in the centre of the island there was a considerable falling off during the last quarter.

The total import of all descriptions amounted to 2,551 chests, against 2,758 in 1887. There was a decrease in Malwa and Persian of 68 and 202 chests respectively, and an increase in Benares of 59 chests. A few chests of Turkey were imported, but met with little favour from consumers, and the trade is not likely to increase excepting in the case of a scarcity of Persian.

Of the various kinds of opium, viz., Malwa, Patna, Benares, Turkey, and Persian, only Benares and Persian are in any demand, and the latter commands the greatest sale. The reasons for this preference are mainly two: Firstly, the unit of sale is the picul in the case of Persian, and the chest in the case of Benares. But the chest of Benares, though up to the Government standard weight of 120 catties when it leaves India, only maintains this weight, for a few months, and does not turn out more than from 118 to 116 catties when eventually sold. Probably if the Benares opium were more seasoned before it left India, so as to be less reduced by keeping, the demand would increase.

Secondly, after Persian opium has been once smoked, the ashes can be used again, which is not the case with Benares.

To these main reasons it might be added that Persian opium is being yearly improved in form, colour, and quality, and that the Formosa population is poor, and therefore inclined to consume the cheaper varieties of the drug.

During the first month of 1888 the market for Persian opium was brisk, the rates per picul being nearly 700 dol. These high prices induced a demand for Benares, which was relatively cheaper, and thus the increased import of the latter is accounted for. Later, the stocks of Persian were largely increased, the price being proportionally reduced, while rates in India were enhanced, and there was a consequent falling-off in the demand for Benares. By April the price of Persian had fallen to about 600 dol. per picul, while Benares stood at nearly 500 dol. per chest. From May to August the market remained nearly stationary, ranging from 480 dol. to 511 dol. for Benares, and from 510 to 535 dol. for Persian.

In September the insurrection in Central Formosa was at its height, and consumers in that part of the island were cut off from their usual source of supply. Chinese dealers took advantage of the circumstance to import direct from Amoy and Tamsui to the sea-coast of the affected districts. As foreign firms were unable to forward any consignments by land, the roads being infested by banditti, British trade in opium was for a time at a standstill.

By November the disturbances had come to an end, and the new consignments of Persian being moderate in amount, the rate went up to 620 dol., falling again to 545 dol. at the end of the year, owing to the market being then overstocked.

The rates noted above are for the best quality of Persian opium. Prices for inferior kinds ranged from 300 dol. to 400 dol. per picul.

The opium clauses of the Chefoo Convention have now been in force for some time, and the general result seems to be that the foreign merchant is becoming less and less able to compete with the native dealer.

During 1888 the number of chests sold by British firms was 1,674; by German firms, 264; and by Chinese 613.

The following table gives the average prices, *in bond*, of Benares and Persian opium during the year:—

Months.	Benares (per chest).	Best quality Persian (per picul).
	Dollars.	Dollars.
January	490 to 495	690 to 675
February	515	650 „ 655
March	515 to 495	620
April	495	630 to 600
May	495 to 487½	570
June	487½ „ 480	520 to 510
July	500 „ 507	535 „ 530
August	507 „ 511	510 „ 520
September	524	530 „ 540
October	552	525 „ 540
November	576	605 „ 585
December	570	580 „ 540

It should be pointed out that the Turkey opium, so called in the customs returns, is really a variety of Persian. The balls are wrapped in paper instead of being uncovered. The mistake arose some years ago when the drug in this form was first introduced into Formosa, and has been perpetuated since.

In camphor the small trade from this port, which is chiefly in the hands of one German firm, has appreciably increased, the value of the export having more than trebled. The Chinese officials have done all in their power to put a stop to the traffic by vexatious interference and unfounded charges against those engaged in it. They attempted at first to prevent all foreign share in the trade by declaring it a Government monopoly, but all the representatives for the Treaty Powers at Peking have united in refusing to recognise such a pretension. Nevertheless, repeated seizures of camphor in the hands of foreigners, employes have been made on this discredited pretext, and the prosecution of the traffic remains up to the present involved in difficulties, owing to the unwarrantable proceedings of the Formosa authorities.

The attempts of the Governor to raise revenue by increasing the land-tax fivefold resulted in an outbreak of determined opposition, and culminated in actual insurrection in the latter part of the summer of 1888. The first rising took place at Pilam, a town on the south-east coast. The Chinese settlers there entered into an alliance with the neighbouring aborigines, and, in spite of the despatch of some 3,000 troops, appear to have successfully held their own. What the result would have been in the long run is difficult to estimate, but the anti-land-tax movement having broken out in the district of Changhua in the very centre of the island, the authorities, it is believed compromised the question at Pilam so as to have their hands free to cope with the much more formidable state of affairs at Changhua. There was at one time a serious danger that Taiwan Fu might be involved, in which case the lives and property of foreign residents would have run

some risk, but in Central Formosa also the authorities ended by practically yielding to the popular outcry, and the obnoxious tax was virtually abrogated.

Effect on
trade.

Such a social convulsion could not fail to be detrimental to trade, the roads to the central and northern districts being closed for months, the telegraph wires which connect Taiwan Fu with the mainland being cut, and large stocks of goods, especially opium, being left on the merchants' hands for lack of access to the customary markets.

Telegraphs.

The telegraph line to Tamsui, extending thence by cable to Foochow, and so connecting Formosa with the rest of the world, is found to work very intermittently. Even before the rebels cut it north of Taiwan Fu, it was never in working order for a week at a time, and since the insurrection the portion destroyed has never been repaired, though all disorder was at an end by the beginning of November. The country between Taiwan and Tamsui is undoubtedly difficult for the proper maintenance of the wire, being intersected at intervals by watercourses—dry in winter, but raging torrents during the rainy season. The air-line, consequently, is often interrupted from causes beyond human control, and it is, I understand, in contemplation to procure short sub-aqueous cables from England, whereby the destructive effect of the chief torrents may be obviated.

Apart, however, from the destructive agencies of Nature, the service leaves much to be desired. The line is allowed to remain unrepaired for over-long periods, and it is said the offices are unprovided with such testing instruments as are employed in other countries to determine without any unnecessary loss of time where a fault has occurred. This has to be effected here by sending a man along the line to discover the break, and is necessarily a lengthy operation.

It is intended to connect the South Cape lighthouse with the rest of the system, not, however, by telegraph, but by telephone. The route has been already surveyed. This should be useful for the supply of meteorological information.

The short cable from Taiwan Fu to the Pescadores has been interrupted for many months, and there seems to be no immediate intention of repairing it. A second cable thence to Amoy is spoken of, and is badly wanted as an alternative to the Tamsui route.

My thanks are due to the Imperial Maritime Customs for their courtesy in placing the manuscript returns of trade at my disposal; and to Messrs. Bain and Co., and Messrs. D. D. Ollia and Co., for information on the subjects of sugar and opium utilized in this report.

Table No. I.—RETURN of all Shipping at the Port of Taiwan in the Year 1888.

ENTERED.

Nationality.	Steam.		Sailing.		Total.		Total Value of Cargo in Sterling.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British ...	44	29,249	19	7,290	63	36,539	\$ 320,270
Chinese ...	...	...	...	...	...	...	...
German ...	15	9,637	21	8,405	36	18,042	14,202
Total entered	59	38,886	40	15,695	99	54,581	334,472
„ for 1887	43	31,944	62	20,131	105	52,075	339,547

CLEARED.

Nationality.	Steam.		Sailing.		Total.		Total Value of Cargo in Sterling.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British ...	41	29,182	19	7,290	60	36,472	£ 179,857
Chinese ...	...	...	...	...	...	...	...
German ...	15	9,637	20	8,045	35	17,682	179,882
Total cleared ..	56	38,819	39	15,335	95	54,154	359,239
„ for 1887	45	33,499	61	20,013	106	53,512	304,434

Haikuan tael equal to 4s. 8d. in 1888, and 5s. in 1887

Table No. II.— RETURN of the Principal Articles of Import into Taiwan during the Years 1888 and 1887.

Articles.	Classifier of Quantity.	1888.		1887.	
		Quantity.	Value.	Quantity.	Value.
Foreign goods—					
Opium: Malwa	Cwts.	45·9	£ 3,844	43·2	£ 4,821
„ Benares	„	803·1	48,356	682·9	68,454
„ Persian	„	2,511·7	181,363	2,378·2	212,983
„ Turkey	„	5·7	327	75·8	6,364
Shirtings, grey plain	Pieces	19,911·0	7,764	21,721·0	8,206
„ plain, white	„	10,838·0	5,372	11,107·0	6,310
T-cloths	„	6,548·0	1,573	10,974·0	3,457
Camlets, English	„	3,537·0	7,571	3,109·9	7,914
Kerosene	Gallons	150,802·0	6,849	81,016·0	3,809
Lintings, plain	Pieces	1,039·0	1,759	1,180·0	2,208
Balsarines, wool and cotton	„	440·0	1,154	751·0	2,120
Cement	Packages ...	5,063·0	3,544	...	...
Cinnamon	Cwts.	106·4	956	0·7	10
Cuttlefish	„	606·0	1,841	592·0	1,537
Flour	„	2,441·0	1,376	...	1,045
Ginseng, Korean	„	2·5	717	0·5	188
„ American clarified	„	38·0	2,672	40·7	2,199
Prawns, dried	„	391·0	1,274	354·0	823
Miscellaneous ... ..	„ ...	...	22,721	...	27,230
Total ... ..	...	...	301,033	...	359,778
Native produce—					
Bags, hemp, grass, and straw	Pieces ...	888,170·0	5,704	866,070·0	5,409
Medicines	Value ...	...	4,750	...	5,554
Silk piece goods	Cwts.	20·0	1,546	27·2	2,730
Woolen and cotton mixtures	Pieces ...	6,497·0	1,313	8,000·0	1,364
Grass cloth	Cwts.	156·0	2,583	163·0	2,430
Tobacco, prepared... ..	„	960·0	2,977	319·0	1,307
Miscellaneous ... ..	„ ...	...	14,566	...	20,975
Total... ..	...	...	33,439	...	39,769
Grand total ... ..	...	...	334,472	...	399,547

Table No. III.—RETURN of the Principal Articles of Export from Taiwan during the Years 1883 and 1887.

Articles.	Classifier of Quantity.	1888.		1887.	
		Quantity.	Value.	Quantity.	Value.
Exports—			£		£
Camphor	Cwts. ...	1,144	1,913	281	630
Camphor wood	Planks ...	4,045	1,417	6,655	1,811
Ground-nut cake	Cwts. ...	...	...	12,906	2,704
Hemp	" ...	1,802	3,492	1,894	4,505
Lung-ngan pulp	" ...	11,916	13,028	3,515	3,983
Sugar, brown	" ...	733,130	277,013	622,551	238,161
" white	" ...	43,636	29,278	36,329	30,869
Turmeric	" ...	23,273	9,510	20,061	10,434
Miscellaneous ... ..	" ...	...	10,635	...	4,613
Total			346,286		297,760
Re-exports—					
Foreign goods			12,783		6,559
Native produce			170		115
Total			12,953		6,674
Grand total			359,239		304,434

Table No. IV.—SHOWING the Total Value of all Articles Exported from Taiwan and Imported into Taiwan to and from Foreign Countries and Chinese Ports during the Years 1888 and 1887.

Country.	Imports.		Exports.	
	1888.	1887.	1888.	1887.
	£	£	£	£
Great Britain	3,544	..	..	..
Hong Kong	274,379	333,245	48,600	31,040
Japan	2,553	822	151,909	118,792
Total, foreign countries ..	280,476	334,127	200,509	149,832
„ Chinese ports ..	53,993	65,420	153,730	154,602
Total, foreign countries and Chinese ports ..	334,472	399,547	359,239	304,434

Table No. V.—IMPORT and Re-export of Opium for the Years 1884–88.

Description.	1884.	1885.	1886.	1887.	1888.
	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
Malwa .. ..	..	..	..	43·25	45·90
Patna	58·57	1·43	..	..	..
Benares	655·81	614·29	637·82	682·86	803·07
Persian	915·65	638·58	1,206·59	2,378·21	2,511·67
Turkey	1,188·32	1,603·24	1,756·57	75·76	5·68
Gross total imports ..	2,768·35	2,857·49	3,600·98	3,180·08	3,366·32
Total re-exports ..	21·06	72·89	133·52	53·97	186·09
Net total imports ..	2,747·29	2,784·60	3,467·46	3,126·11	3,180·23

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REPORT FOR THE YEAR 1889
ON THE
TRADE OF TAINAN.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 518.

*Presented to both Houses of Parliament by Command of Her Majesty,
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CHINA.

TAINAN.

Consul Warren to the Marquis of Salisbury.

My Lord,

Tainan, February 20, 1890.

I HAVE the honour to forward herewith my Report on the Trade of this Port for the year 1889.

I have, &c.

(Signed) PELHAM L. WARREN.

Tainan Trade Report for 1889.

South Formosa has probably been the scene of more disappointments to foreigners engaged in the trade there than has been the case in any other of the treaty ports.

With a soil and climate capable of producing almost anything, rich in minerals, and possessing advantages which, under ordinary circumstances, would make it the wealthiest, as it is one of the richest spots in the world, the trade in this part of the island shows no signs of development.

Export after export has failed, and we are now exactly where we started some 25 years ago, dependent entirely on sugar for export, and opium for import. Though the trade in these has, of course, very largely increased since the opening of the port, the limit seems to have been reached six years ago, and since that time the trade may fairly be described as stationary.

The French blockade of the island caused a severe check, but it was confidently anticipated that the recovery would be almost immediate; unfortunately the imposition of import likin the following year again checked progress, whilst the readjustment of the land tax, and the disturbances consequent on the resistance made by the people to the land survey ordered by the Government, caused a feeling by insecurity amongst landowners which considerably interfered with production. The 1888-89 crop of sugar was only up to average, and below that of the preceding season. There is a consequent falling-off in the trade of the year, which, notwithstanding an increased import of opium, amounts to 28,889/.

(869)

Total value of trade.	The total value of the trade for the year was 686,617 <i>l.</i> , as against 715,506 <i>l.</i> in 1888.
Imports.	The value of the import trade, as shown by table II. annexed to this report, was slightly in excess of that of 1888, the respective figures being 355,267 <i>l.</i> and 344,485 <i>l.</i>
Opium.	The import of opium during 1889 showed an improvement over that of 1888 of 312 chests. This improvement is not shown in table II., which gives the amount only that actually paid duty and likin during the year, and takes no account of the drug still remaining in bond, neither does the table show the amount of opium re-exported, viz., 148 chests in 1888, as against 38 chests only in 1889. The actual consumption during 1889 was 2,588 chests, an increase of 107 chests over the consumption of 1888. As a rule the amount of the import of opium depends on the export of sugar, but while last year's sugar export showed a falling-off, the import of opium increased, and this notwithstanding that the native drug is coming more into use here.
Persian superseding Indian opium.	The Indian drug is less imported every year, Benares being the only kind in demand, and Persian bids fair to supersede it entirely. 466 chests of Benares and 2,296 chests of Persian were imported. The opium pays duty, and is sold by the picul of 133½ lbs. avoirdupois; and in treating of this portion of the trade of the port it is, therefore, more convenient to employ the Chinese weights than the English.
Average prices.	The average prices during the year were—for Benares 546 dol., or 81 <i>l.</i> 10 <i>s.</i> per chest in bond; and for Persian 553 dol., or 84 <i>l.</i> 11 <i>s.</i> per chest in bond. The weight of the chests varies considerably, but the average of a chest of Persian is found to be about 1.05 piculs, or say 140 lbs., and of a chest of Benares 1.15 piculs, or say 153 lbs.
Weights.	
Opium : where imported.	Nearly all the import is to Anping, the amount that goes direct to Takow being very trifling. Tainanfoo is, and has been for some years, the distributing centre, and supplies are sent thence to the southern or Takow districts, and north as far as Changhua.
Where consumed.	The amount consumed in the Changhua and Lokkang districts is estimated at about 80 chests; but half only of this is taken from Tainanfoo, the remainder coming from Tamsui. It seems probable that in the near future the entire supply for these districts of Central Formosa will be drawn from Tamsui, as the roads are better than in South Formosa, and the cost of transport consequently less. Great difficulty has been experienced during the past year, both in conveying opium to the consuming districts, and in bringing back specie in payment for it. The entire country is so overrun by armed bands of robbers, that the risks of the trade have been so heavy as to deter many from engaging in it. In several instances specie sent down from up-country, in payment for opium and other goods, has fallen into the hands of these robbers, foreigners alone having suffered to the extent of about 15,000 dol. At the present moment, all parties conveying opium in, or bringing treasure out, go armed.
Insecurity of roads.	

It is said that, in addition to the drug supplied from Tainanfoo and Tamsui, Central Formosa obtains further supplies from the mainland, that some of this has already paid duty and likin, but that some is smuggled. There is, however, no proof of the truth of this statement. Lokkang, the port into which the opium is said to be smuggled, is certainly very conveniently situated for the purpose, and has always taken a certain amount of native drug from Wenchow and Taichow; but it is at present only accessible to native craft, and those of small draft of water. There is, however, a considerable amount of rice exported from Lokkang to Chinchew, and it is quite possible that opium is taken in exchange. All the Chinese that I have questioned on the subject declare that opium is smuggled in; but they profess not to know how it is managed; all unite in stating that "it comes from foreign countries—not from Hongkong."

Opium said to be smuggled in from mainland.

The import of cotton piece goods improved very slightly, but the trade is so small as to be scarcely worthy of mention. The value of the total import of all sorts was only 23,442*l*. Woollens remained pretty nearly stationary, the total value of all kinds being 16,386*l*.

Piece goods : Cotton.

Woollens.

Kerosene oil again shows nearly double the import of the preceding year, *i.e.*, 295,870 gallons, against 150,802 gallons. The import has increased very rapidly of late years, and appears likely to continue to do so.

Kerosene.

The remaining imports were unimportant, and show no improvement over those of 1888, except in the case of flour, the import of which has increased 1,316 cwt.

Sugar.—The total export of brown sugar, the staple commodity of this part of the island, was 647,896 cwt., whilst in 1888 733,130 cwt. were exported; there was thus a falling-off of 85,234 cwt.

Exports : Brown sugar.

The crop was barely up to average, the disturbed state of the country having interfered with the cultivation of the cane. No export took place to foreign countries except to Japan, where the entire Takow crop as usual found a market, though at prices that did not prove remunerative to exporters.

The sugar from the more northern districts all goes to North China, and is shipped from Anping. The trade is entirely in the hands of Chinese, who appear to have formed a ring to keep foreigners out. On one or two occasions when foreigners have ventured to ship to the North of China their sugars have proved to be unsaleable, and have remained on hand for months, whilst sugars of the same quality shipped by Chinese have found a ready market.

White sugar also shows a falling-off of 16,883 cwt. This branch of the trade still remains entirely in the hands of Chinese.

White sugar.

The camphor trade does not show any signs of improvement. The restrictions formerly imposed by the Government monopolists are nominally removed, but the difficulties and risks of getting the camphor down to the coast are so great that foreigners are not

Camphor.

inclined to engage in the trade, notwithstanding the very high prices that have ruled in the Hongkong market during the last year.

Chinese traders decline positively to deliver camphor at the port, and do not care much about touching the business at all. Practically, it may be said, the monopoly still exists, and the entire export of 1889 was only 709 cwt.

Groundnut.
Turmeric.

Groundnut cake was exported to a small extent, as was also turmeric, but the value of these exports was trifling, and has been so for years, nor do they show any sign of improvement.

Shipping.

There is a slight increase of tonnage as compared with last year, the total tonnage employed during the year being 114,402 tons, 5,667 tons more than in 1888.

Increase in
tonnage
employed.

This increase is, as shown by Table I., due entirely to steamers; the number of sailing vessels employed in the trade diminishes steadily year by year.

Steam substi-
tuted for sail
in trade to
North.

The most noteworthy feature in 1889 was the substitution of steam for sailing vessels in the trade to Chefoo and Tientsin, which had hitherto been almost monopolised by the latter.

Chief trade at
Anping.

Of the total number of vessels employed, 47 steamers and 15 sailing vessels loaded at Anping, and 15 steamers and six sailing vessels at Takow. A great change from the early days of the port, when the entire trade was centred at Takow, and was confined altogether to sailing vessels of small draught and tonnage. The trade now has left Takow for Anping, the latter port being more conveniently situated as regards the consuming districts. Should the long-talked-of scheme for dredging the bar and harbour of Takow ever be carried out, it is possible that some of the trade may return there; but it is very doubtful whether it will affect Anping to any great extent, the trade has been flowing in its present channel now for so long that it will be difficult to divert it.

Trade left
Takow.

General.

There is little more of interest to be mentioned with regard to the port. None of the improvements so long talked of show any sign of being carried out. The harbour at Takow has been surveyed, and an estimate of the cost of dredging it made—this for the third time in the last 10 years; but dredging seems no nearer. The country between Tainanfoo and Takow has been surveyed, and a railway talked of. The dredging of the Anping creek, improvement of the road between Anping and Tainanfoo, the making of good roads through the producing districts, and, generally, all the improvements that have been urged during the past 10 or 15 years have been again brought forward; but nothing has been done, nor does it appear likely that the realisation of any of these schemes will be attempted while the country is in its present disturbed state; and until some move is made in this direction there is little hope of the trade of South Formosa being what it ought to be.

Table I.—RETURN of all Shipping at the Port of Tainan in the Year 1889.

ENTERED.

Nationality.	Sailing.		Steam.		Total.		Total value of cargo in sterling.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	58	44,565	7	2,705	65	47,270	£ 339,919
Chinese	3	3,469	...	...	3	3,469	1,884
German	1	884	17	5,808	18	6,692	17,584
Total	62	48,918	24	8,513	86	57,431	359,367
„ for 1888 ..	59	38,886	40	15,695	99	54,581	358,363

CLEARED.

Nationality.	Sailing.		Steam.		Total.		Total value of cargo in sterling.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	57	43,745	7	2,705	64	46,450	£ 258,107
Chinese	3	3,469	...	...	3	3,469	16,598
German	1	884	18	6,168	19	7,052	60,745
Total	61	48,098	25	8,873	86	56,971	335,450
„ for 1888...	56	38,819	39	15,235	95	54,154	384,899

17. sterling = 4 Haikwan taels.

Table II.—RETURN of the Principal Articles of Import into Tainan during the Years 1889-88.

Articles.		1889.		1888.	
		Quantity.	Value.	Quantity.	Value.
FOREIGN GOODS.					
Opium—					
Benares	Cwts. ...	632.57	40,687	803.04	51,810
Malwa ... ..	" ...	...	...	45.89	4,118
Persian... ..	" ...	2,690.25	202,127	2,511.66	194,818
Turkey... ..	" ...	...	...	5.67	350
Cotton Goods—					
Shirtings, grey, plain	Pieces ...	21,707	9,084	19,911	8,819
" white, plain	" ...	12,755	6,908	10,838	5,756
T-cloths, 32 inches	" ...	7,576	1,868	6,548	1,685
Miscellaneous cotton goods ... ..	" ...	...	5,582	...	4,107
Woollen Goods—					
Alpacas	Pieces ...	1,877	1,501	525	449
Balzarines, wool and cotton	" ...	60	187	440	1,237
Camlets, English	" ...	3,542	7,145	3,537	8,111
Italian cloth, plain and figured	" ...	1,771	1,613	1,339	1,260
Lastings, plain	" ...	1,320	2,213	1,039	1,885
Woollen thread	Cwts. ...	83.95	1,390	64.20	1,054
Miscellaneous woollen goods ... ..	" ...	...	4,339	...	3,050
Sundries—					
Cement... ..	Packages	10	9	5,063	3,797
Cinnamon	Cwts. ...	91.42	905	106.37	1,025
Cuttlefish	" ...	261.48	938	605.60	1,972
Flour	" ...	3,634.90	2,318	2,442.25	1,475
Ginseng, all kinds	" ...	39.06	3,467	41.76	3,688
Kerosene	Gallons...	295,870	12,121	150,802	7,338
Prawns and shrimps, dried	Cwts. ...	466.45	1,718	392.02	1,365
Miscellaneous sundries ... ..	" ...	...	16,710	...	14,366
Total foreign goods ... ..	...	...	\$22,810	...	322,535
NATIVE PRODUCE.					
Bags, hemp	Pieces ...	184,900	1,608	254,720	2,371
" grass and straw	" ...	503,195	3,448	638,450	3,741
Cakestuff	Cwts. ...	270.83	1,039	81.75	371
Grasscloth, fine	" ...	121.24	2,134	182.47	2,479
Medicines	Value ...	...	4,648	...	5,090
Silk piece goods	Cwts. ...	18.54	1,452	19.82	1,656
Tobacco, prepared	" ...	723.20	2,304	990.08	3,189
Woollen and cotton mixtures	Pieces ...	6,150	1,288	6,497	1,407
Miscellaneous ... ..	" ...	...	18,636	...	15,523
Total native produce ... ..	...	...	36,557	...	36,828
Gross imports, foreign goods, and native produce ... ..	...	...	359,367	...	358,363
Re-exports ... ..	" ...	...	4,100	...	13,878
Net total imports ... ..	...	...	355,267	...	344,485

Table III.—RETURN of the Principal Articles of Export from Tainan during the Years 1889–88.

Articles.		1889.		1888.	
		Quantity.	Value.	Quantity.	Value.
			£		£
Exports:—					
Camphor	Cwt. ...	708·93	1,447	1,145·95	2,050
Camphor wood planks	Pieces ...	2,151	693	4,045	1,518
Groundnut cakes	Cwt. ...	12,370·23	2,398	...	...
Hemp	" ...	1,635·76	3,948	1,802·23	3,742
Lung-ngan, pulp	" ...	4,350·64	5,903	11,916·31	13,958
Lung-ngan, dried	" ...	1,969·61	1,417	12,548·07	7,522
Rice	" ...	3,686·35	1,485	...	...
Sugar, brown	" ...	647,896·65	276,093	733,130·71	296,800
" white	" ...	28,752·05	26,152	45,635·60	31,369
Turmeric	" ...	18,695·70	8,549	23,273·63	10,189
Miscellaneous ... ..	" ...	...	3,264	...	3,872
Total exports ... ..	...	...	331,350	...	371,021
Re-exports:—					
Foreign goods ... ..	...	...	3,689	...	13,696
Native produce ... ..	...	...	411	...	182
Total re-exports... ..	...	...	4,100	...	13,878
Total exports and re-exports ... ..	...	...	335,450	...	384,899

Table IV.—SHOWING the Total Value of all Articles Exported from Tainan and Imported into Tainan from and to Foreign Countries and Chinese Ports during the Years 1889–88 (Re-exports included).

Country.	Exports.		Imports.	
	1889.	1888.	1889.	1888.
	£	£	£	£
Great Britain .. ..	..	3,797	..	..
Hongkong	304,857	293,978	29,994	52,071
Japan	2,518	2,735	156,746	162,760
Total foreign countries	307,375	300,510	186,740	214,831
Chinese ports	51,992	57,853	148,710	170,068
Total foreign countries and Chinese ports..	359,367	358,363	335,450	384,899

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CHINA.

REPORT FOR THE YEAR 1890
ON THE
TRADE OF TAINAN (FORMOSA.)

REFERENCE TO PREVIOUS REPORT, Annual Series No. 703.

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CHINA.

TAINAN.

Consul Warren to the Marquis of Salisbury.

My Lord,

Tainan, March 6, 1891.

I HAVE the honour to forward, herewith, my Report on the Trade of this Port for the year 1890.

I have, &c.,
(Signed) PELHAM WARREN.

Tainan Trade Report for 1890.

Trade in South Formosa has shown a decided improvement during the past year, the total value being the largest since 1881, and only exceeded three times since the opening of the port, viz., from 1879 to 1881, the period during which the trade showed every sign of permanent improvement; in spite of which, however, up to the present it has steadily declined.

The increase shown is chiefly due to the fact that the sugar crop was somewhat over the average of the past five years, and to a consequent increase in the import of opium. These two causes combined have raised the value of the trade some 30 per cent. over that of 1889, but in other respects there are no signs of development, and, in view of the shortness of the 1890-91 sugar crop, it is probable that this year's returns will show a corresponding decrease. In fact, until the island is properly opened up any improvement in the trade must be only looked upon as temporary.

The total value of the trade was 918,048*l.*, as against 694,817*l.* Value of in 1889. These figures show an increase of 222,231*l.* which was made up as follows:—

Imports, 417,662*l.* Exports, 500,386*l.*

The increase in the value of the import trade amounted to 58,295*l.*, and of the export trade to 164,396*l.*

(1094)

A 2

Increase in
imports and
exports.

SHIPPING.

Increase in
tonnage.

Consequent on the general improvement in the trade of the port there was a considerable increase in the tonnage employed, which was 133,307 tons, as against 105,597 tons in the previous year. The increase is entirely in steam tonnage, sailing vessels showing a decided falling-off; indeed, at the present rate it seems probable that in the course of a year or two no sailing vessel will be able to find employment here. The total number of steamers entered was 74, 60 of which were British. The sailing vessels entered were only 23, and were fairly evenly divided as to numbers between the British and German flags; as regards tonnage, there was an excess of 2,153 tons in favour of the German.

Japanese line
of steamers.

A Japanese line of steamers has commenced running on the lines to Yokohama. These vessels load sugar in Manila, and call at Takow to fill up, proceeding thence direct to Yokohama. This may possibly affect freights, and as it is anticipated that Manila sugar will be laid down in Yokohama by this route more cheaply than hitherto, the Takow market may suffer in consequence.

IMPORTS.

Value of
imports.

The total value of the foreign goods imported during the year reached 373,510*l*.

Opium.

The import of opium in 1890 was 3,105 chests, the largest since 1883, and only twice exceeded during the whole period that the port has been opened to trade. Of this amount 427 chests were Indian, and the balance, 2,678 chests, Persian. Indian opium still shows a steady decrease, whilst in Persian there is a more than proportionate increase. In 1880 the import of Indian opium was 1,800 chests, and that of Persian only 1,536 chests. Since that the Indian drug has steadily decreased, and there seems no hope of its ever recovering the position it once held here.

Indian.

Persian.

Import of
foreign
opium.

Foreign opium has not shown an increased import during the past 10 years by any means commensurate with the increase of population in the south of the island, which, taking into consideration the fact that, roughly speaking, the entire population smokes, more or less, leads me to think that far more of the native drug is used here than is generally believed. The greater portion comes from the mainland, chiefly from the Wênchow and Taichow districts, and the import has been steadily increasing for many years.

Native drug.

Recently the poppy has been planted in the Changhua and Chia-i districts in Mid-Formosa, and although it is not at present cultivated to any great extent, and the opium produced is entirely consumed in those districts, there seems no reason that the cultivation should not spread to other parts of the island.

Adulteration. Another cause for the comparatively small advance made by foreign opium during the last 10 years may be found in

the great increase in adulteration. Opium smokers complain bitterly that they cannot get the opium that they used to some years back; apparently it does not pay the native opium shops to supply it. Sesamum cake, though formerly declared contraband, is now largely imported and mixed with both Persian and Indian opium. Many native dealers never sell a chest of opium without at the same time supplying the purchaser with the sesamum cake required for its adulteration. The taste of smokers is gradually being lowered, and the step from a mixture of Indian or Persian mixed with native drug or sesamum to the pure native drug is not a long one. A very slight improvement in the quality of Chinese opium would now suffice to drive the foreign drug entirely out of the market here, as it has already done in many other ports.

The actual consumption of foreign opium in 1890 was 2,890 chests, as against 2,588 in 1889. On December 31, 1889, there were 353 chests still remaining in bond, while on the same date in 1890 there were 437 chests. Actual consumption of foreign opium.

Prices for Benares, the only class of Indian opium that now finds a market here, averaged about 86*l.* per chest weighing 140 lbs. Fluctuations in price were inconsiderable. Early in the year Benares was quoted at 88*l.* 10*s.* per chest, and found a market at that price until July when the rate fell to 83*l.* 6*s.* 8*d.*, where it remained until the close of the year. Benares, prices of.

Prices for Persian opium, however, fluctuated greatly. In January the price per chest weighing 152 lbs. was 91*l.* 10*s.* This rose in August to 94*l.* In September a rapid fall took place, chiefly owing to the excessive supplies received from Hong-Kong, by which the market here was overstocked, and due partly to the temporary stoppage of trade up-country, consequent on the disturbed state of certain districts. The market ultimately fell to 78*l.* 9*s.* 8*d.* for best Persian, which is the price quoted at present. Persian, prices of.

Cotton Piece Goods.—There is scarcely any improvement in this branch of the trade. The total value of goods of all descriptions imported amounted only to 26,257*l.*, as against 23,442*l.* in 1889. No doubt there was a considerable import as usual in native bottoms. The entire trade is in native hands, and it pays them better to import by junk, as the freight is almost the same as by steamer, and there is no duty levied on imports in native bottoms. Cotton piece-goods.

Large quantities of Chinese cotton cloth of various descriptions are consumed in South Formosa. Attempts have been made by Bombay manufacturers to imitate some of these but without success, the Chinese showing a marked preference for the native article. Native cloth.

Japanese cotton cloth also finds a market here, and the import seems steadily to increase. Japanese cloth.

Woollen Piece Goods.—These also show a slight increase over last year, amounting in value to 3,341*l.* Woollens

Kerosene oil, the import of which has steadily increased during the last few years, does not show much improvement over (1094) Kerosene.

1889. The import was 304,460 gallons, as against 295,870 gallons. The oil imported was all American, with the exception of a small quantity of Russian which was imported from Japan.

Metals. The import of metals was, as usual, inconsiderable, but showed a slight tendency to improvement.

Other foreign goods. The import of foreign goods, other than those already mentioned, was too trifling to merit special notice.

The total value of foreign goods imported amounted to 373,510*l*.

Native goods. Native goods imported reached only to the value of 44,152*l*., and of these, medicines, and hemp, and straw bags, used in sugar packing, were the most important.

Native trade all by junk. As a rule the import of native produce here is monopolised by the junks which, trading directly between the small ports on the west coast and the mainland, have many advantages not possessed by foreign vessels.

EXPORTS.

Brown sugar. The total export of brown sugar reached 805,682 cwts., and was fairly evenly divided between Auping and Takow, though as a rule the export from Takow is somewhat larger. Of late years though there has been a gradual change in favour of Auping.

Market at Takow. The bulk of the Takow sugar was sent to Yokohama. The market opened at Takow in December at 7*s*. 8½*d*. per cwt., and the first shipment was made early in January. In consequence of the regularity with which steamers ran between Takow and Yokohama, nearly half the crop had been shipped off by the end of March, the Japan market was glutted and exporters suffered in consequence. Prices declined in Takow, and at the end of April sugar was bought at from 6*s*. 8½*d*. to 6*s*. 10½*d*. per cwt., and the market having risen in Japan consequent on supplies turning out shorter than had been expected, the losses made in the early part of the season were more than covered.

Taiwanfoo sugar. Some Taiwanfoo sugar was sent to Japan, this was not of the first quality, the price averaging 7*s*. 8½*d*. per cwt., and it lost heavily, some still remaining unsold and other being sold at a loss of 1*s*. 7½*d*. per cwt. The Japanese will not take Tainanfoo sugar when they can get either Takow or Manila. With this exception all the so-called Taiwanfoo sugar, which is produced in the districts around Auping and the city now known as Taiwanfoo, was exported from Auping to the north of China. The average market price was about 8*s*. 3*d*. per cwt. Tientsin and Chefoo took over three-fourths of the entire export: the remainder was divided between Shanghai, Ning-po, and Newchwang.

Appended to this report is a very interesting paper on Formosa sugar, drawn up by Dr. W. W. Myers, who, taking advantage of his knowledge of the country gained in the course of his practice amongst the natives, has for a long time paid great attention to the subject, and has personally conducted many interesting experiments with a view to showing how the production and manufacture may be improved.

The export of white sugar in 1890 was also considerably larger than in the preceding years. In all 54,605 cwts. were sent away, valued at 45,918*l*. There are various classes or grades of this sugar, all of which find a market in the north of China. The trade is still entirely in the hands of Chinese, foreigners being quite unable to obtain any share of it. White sugar.

Over 70,000 cwts. of white sugar were exported in junks from Auping. Ultimately a share of this trade may come into the hands of foreign steamers, but at present the junks monopolise the larger proportion.

The export of rice shows a considerable falling-off. The heavy rains in the summer destroyed the crops in many parts of the country, and export ceased in consequence. Of late years the export of rice from South Formosa has not been large; whether the consumption consequent on increase of population is sufficient to account for this is doubtful, probably more is exported by junks than used to be the case. The price of rice here at present is higher than has been known for many years. Rice.

Under the heading of hemp are included the various fibres, whether grass, pineapple, or others, produced in South Formosa. None are exported to any great extent; the impossibility of preparing them on the spot without machinery, and the expense of conveyance to the port in a bulky and semi-prepared state prevent them finding a market in foreign countries. Hemp.

The so-called pineapple hemp is sent only to Swatow where a very fine kind of grasscloth is made from it. Grasscloth made from pineapple fibre.

Ground-nut cake is this year conspicuous by its absence from the list of exports. A large quantity of the cake is made here and sent to the mainland where it is used as a manure. This branch of the trade seems year by year steadily to have fallen more into the hands of the junks. Ground nut cake.

The ground or pea-nut (*arachis hypogaea*) is largely cultivated throughout the plain lying between the hills and the west coast of South Formosa. From this nut is expressed an oil which is in great request all over the island, both as an article of food and for lighting purposes. The supply of this is insufficient to meet the demand, and large quantities of nuts are imported by junk from the Pescadores, which are said to be of a finer quality than those produced in Formosa. Ground-nut.

The nuts are first dried in a brickwork tank, under which a slow fire is kept constantly burning; they are then crushed by means of a horizontal roller forming the radius of the circle which it works in, the machine being driven by oxen. By this means the husks are broken up and the kernels cracked. It takes about 6 hours to crush 14 cwts. of nuts in an ordinary sized mill. The mass is then sifted to clear it of the larger portions of husk, which latter are again put under the crusher. The pulverised mass is made into circular cakes which are wrapped round with rice straw twisted together at the rims. These cakes are then put into a press which is formed by two semi-cylinders resembling in form native coffin lids, which when placed together form a complete Ground-nut oil.

closed cylinder, the two parts of the press being kept together by iron bands. Each of the cakes is surrounded with an iron ring, and they are arranged in loose but regular order throughout the length of the press. A wedge is then inserted between the last cake and the end of the press, and is driven home by means of a swinging hammer. Another wedge is inserted and treated in a similar manner, and this is continued until the whole mass is so closely pressed together as to render further insertion of wedges impossible. As the oil drains out and the pressure slackens, more wedges are driven in until the whole of the oil has been expressed. 1 cwt. of nuts will give about 25 lbs. of oil, worth 30s.

The leaves and stalks of the plant are sometimes worked into the soil, and form very good manure; they are also largely used as food for cattle and are extremely nutritious.

The method of extracting peanut oil as above detailed seems somewhat cumbrous, taking a considerable time and involving great waste of material; but seeing that labour is so cheap, and that the people have for so long a time been accustomed to the machine now in use, it appears doubtful whether the introduction of more elaborate machinery would be of any practical use. Such an introduction has been often proposed, but hitherto no effective steps have been taken to carry it out.

Castor oil.

Castor oil is another of the products of the south of Formosa to which little or no attention has been paid.

The castor oil plant (*ricinus communis*) grows wild over the greater portion of the known districts of South Formosa. No attempt is made by the natives to cultivate it, and with the exception of a small quantity of crude oil, which is expressed for use in mixing with ink for stamps and printing, as far as is known no effort has ever been made to obtain the oil in sufficiently large quantities to make it worth while exporting it. This is strange seeing that the natives are well aware of the medicinal properties of the oil, and purchase and use freely that which is imported from foreign countries. As a lubricant, castor oil is daily becoming in greater demand throughout the world, and there is no doubt that considering the ease with which the raw material can be obtained, and the comparatively simple method necessary for extracting the oil, there is a large and profitable opening for capital and enterprise in this direction. Large tracts of land that are now considered useless for ordinary cultivation would suit admirably for the growth of the castor oil plant, which indeed is often the only form of vegetation to be met with on them.

Turmeric.

The export of turmeric shows signs of improvement, the value having risen some 3,000%. More might be done in this direction if steps were taken to improve the preparation. In its present state it is not very favourably received in foreign markets.

Camphor.

Camphor was exported to the extent of some 900 cwt., which shows a very slight increase over the export of 1889.

The efforts of the Chinese authorities in Formosa to close the camphor trade to foreign merchants have, I regret to say, proved completely successful.

In 1886 the camphor trade showed some slight signs of reviving. Foreign merchants again prepared to engage in it, and entered into contracts with native merchants for the supply of considerable quantities to be delivered at the place of production, and brought down to the port by the foreign merchant under transit pass. Hardly had these contracts been concluded when the Government monopoly, abolished by the agreement of 1869, was revived. Camphor belonging to foreign merchants was seized whilst on the way down to the port, notwithstanding that it was covered by transit passes. The action of the Chinese authorities in thus illegally reviving the Government monopoly was strongly protested against by the united foreign representatives at Peking, and claims made on account of losses sustained in consequence.

These claims were after considerable discussion admitted and paid, and there appeared to be some probability that in the future foreigners would be permitted to engage in the trade without hindrance on the part of the officials. But further trouble was in store for those interested in camphor. A tax was imposed of 2s. 8d. per cwt., the proceeds to be applied towards defraying the expenses of frontier defence. This tax was very shortly raised to 8s. per cwt., and finding that in view of the high prices for camphor at that time ruling in Hong-Kong, even this heavy tax did not prevent foreigners from engaging in the trade, the tax was suddenly increased to 2l. 9s. 6d. Native producers of camphor were warned by official proclamation that they would be compelled to pay this amount to the camphor office before selling their camphor to foreigners; at the same time they were informed that the camphor office would, on behalf of the camphor farm, or in other words on behalf of the Government monopolists, pay them 1l. 13s. per cwt. for all the camphor they chose to bring in. The native producer was further offered advances of capital to enable him to engage in the business, such advances to be repaid to the Government in camphor.

Up to this time the price of camphor at the place of production had ranged from 1l. 3s. 4d. to 1l. 11s. 7d. per cwt. It now at once rose to 4l. 2s. 4d., the price which the farmers of the monopoly are reported to pay the Government. At the same time the camphor producer gets no share in this tremendous rise in price, for he is forced to deliver his camphor to the Government offices, which, while professing to pay him 1l. 13s. per cwt., in fact only pay that sum per 156½ lbs. (140 catties), thus reducing the price which he actually receives to about 1l. 3s. 4d. per cwt., or the sum at which contracts were entered into with foreign merchants in 1886 before the revival of the Government monopoly.

These figures will suffice to show what an unnatural disturbance the action of the native officials has caused in the trade. The producer would still be willing to sell camphor to foreign merchants at the old rate, but he is afraid to do so under existing circumstances. The pressure put upon him is too strong, and he now declines to enter into contracts even at a considerably

increased rate. It is perfectly impossible under these circumstances for foreign merchants to compete with the monopolists, and the trade has collapsed, at any rate for the present. Whether the monopolists really pay the tax of 2*l.* 9*s.* 6*d.* per cwt. is doubtful. They probably do not.

Camphor has been sent away from Lokkang, a port not open to foreign trade, in Government steamers; whereas if the property of foreign merchants it must have been brought down to the treaty port, either in native boats or overland, whereby great loss in time and weight would be caused. In fact the monopoly has everything in its favour, and although the Chinese authorities declare that foreign merchants are at liberty to buy at the same price as the camphor farm, they have by their action rendered even this impossible.

It is further insisted upon that foreigners are not to be allowed to go near the savage borders to procure camphor. Now the supplies procurable from purely Chinese districts are year by year decreasing; no efforts are made by the authorities to encourage planting, and the total exhaustion of the camphor forests in those parts is, therefore, merely a question of time. On the other hand, the forests deeper in the interior of the island and closely approaching the borders of the so-called savage districts are most abundant, and the camphor produced there is said to be of a superior quality. The monopolists are already working in these districts, the camphor-boiling being carried on chiefly by hakkas and semi-civilised aborigines, as the Chinese proper do not care to venture so far in. Foreigners, however, would have no difficulty in making their own arrangements either with the pure aborigines or the semi-civilised ones, and could penetrate with perfect safety even further into the country than is now done. The aborigines have no dislike whatever to foreigners, but they cordially detest the Chinese who, they complain, are not fair in their dealings with them.

If then the foreign merchant is to be prevented from purchasing camphor, except in the purely Chinese districts, it follows that his share of the trade will be a very small one to begin with, and will become less and less every year; in other words, even if the present Government monopoly was formally given up the restriction of foreign merchants to certain districts would operate in precisely the same manner as the monopoly does at present, and would keep the trade entirely in the hands of the Government, or of those to whom the Government might farm it out.

Export in
1890.

During the past year the export of camphor from South Formosa was only 904 cwts., and this notwithstanding that the market price in Hong-Kong ranged from 4*l.* 13*s.* 5*d.* to 6*l.* 9*s.* 2*d.* per cwt., whilst in former years the trade proved fairly remunerative when the market price was only from 2*l.* 9*s.* 5*d.* to 3*l.* 0*s.* 5*d.*

Formosa
camphor: how
obtained.

Formosa camphor is obtained from the *Laurus camphora*, immense forests of which extend over most of the lower ranges of hills in the island, extending up the lower slopes of the moun-

tains inhabited by the savage tribes. Many of these forests have not been touched, and the statement that the camphor supplies in South Formosa are becoming exhausted, applies only to those districts which are purely Chinese. The supply from other parts is practically inexhaustible. Even in purely Chinese districts it is only at certain places that the supply is falling-off in consequence of the reckless manner in which the trees have been destroyed, partly for the sake of the timber and camphor, and partly, no doubt, simply to clear the ground for cultivation.

It has been often stated that the method of obtaining crude camphor in Formosa was by steeping the chopped branches in water, and boiling until the camphor begins to adhere to the stick used for stirring, when the liquor is strained, and by standing the camphor concretes. By this method it does not necessarily follow that the tree is destroyed, in fact with a little care there is no need that it should be. But although this method may have been in use in former days, it certainly is not now. On the contrary, I am assured by several natives, engaged in the trade, whom I have questioned on the subject, that the yield of camphor from the branches is too small to repay the labour of extraction.

The method in general use now is as follows:—The camphor expert selects a tree and scrapes into the trunk in different places, using an instrument somewhat resembling a rake, with the view of ascertaining whether it contains sufficient camphor to repay the labour of extraction. A tree is said not to be worth anything for camphor purposes until it is 50 years' old, and the yield is very unequal; sometimes one side only of the tree contains enough camphor to satisfy the expert, and in this case that side alone is attacked. The trunk is scraped to as great a height as the workmen can conveniently reach, and the scrapings are pounded up and boiled with water in an iron vessel over which an earthenware jar, specially made for the purpose, is inverted. The camphor sublimates and condenses on the jar, which is removed from time to time, scraped, and replaced. The root of the tree and the trunk, for some eight feet up, contain, as a rule, the greatest quantity of camphor. If the scrapings obtained from the trunk yield well, the chipping is continued until in the end the tree falls. The roots are then grubbed up as it is certain they will give a proportionately good return. If, however, the scrapings do not turn out well the tree is abandoned, and work is commenced on another. No attempt is made to extract camphor from the fallen trunk or from the branches. In some cases, the trunk is sawn up into timber, but this depends on the locality; from many districts owing to absence of roads timber would not pay for its transport.

It is impossible to imagine a more wasteful method of procedure, and it is fortunate that the camphor forests of Formosa are practically inexhaustible.

The quantity of camphor produced depends, of course, simply on the amount of labour employed in the business. Ten of the iron pots mentioned above and their accompanying jars make up

what is called a "set," and are worked by four men. One set will produce about 65 lbs. in ten days, or, say, $1\frac{1}{2}$ cwt. a month, but this only under the most favourable circumstances, a fair average is about $1\frac{1}{4}$ cwt.

Change in
camphor
monopoly.

Recently a change has been made in the camphor monopoly. It is now proposed by the Chinese authorities that the camphor stills should be licensed before they are permitted to work. The cost of the license will be equivalent to a tax of about 22s. 6d. per cwt., a heavy tax, seeing that the actual value of the camphor at the place of production is very little over this amount.

GENERAL REMARKS.

Robbers in
early part of
year.

In the early part of the year the country was much disturbed by bands of robbers, who, plundering right and left, made the roads so unsafe, that, for a time, up-country trade almost ceased. Reinforcements of troops having been brought from the Pescadores the district magistrates later on found themselves in a position to deal effectively with these marauders. Strong measures have been taken in several parts of the country, many of the bands have been entirely broken up, and the security of the roads is now established.

Heavy
summer rains.

The heavy summer rains caused serious floods in the districts lying south and east of Takow. The rice, potato, and sugar crops were in many places partially destroyed, and there has been in consequence considerable distress this winter amongst the poorer classes.

Floods.

The floods washed away entire villages; and a great part of the town of Tangkang, situated about 12 miles below Takow, was destroyed. Hundreds of people were compelled for a time to live in boats, and numbers were drowned in the villages, or driven out to sea and never heard of again.

Landslip near
Liangchiao.

Gold exposed.

Near Liangchiao heavy rains caused a landslip, which carried away the entire side of one of the hills in the lower range, exposing, it is reported, gold in some considerable amount. For a short time the Chinese in the neighbourhood were exchanging a basket of earth for a basket the same size of rice. At the present moment the aborigines, who had left the place previously, are said to have returned, and the Chinese are consequently unable to get more gold. The same rains swelled the mountain torrents to such an extent that they tore away and brought down enormous quantities of forest trees. The whole coast from Panglias to the extreme southern point was strewn with timber of various sorts, and the junks and fishing boats have driven a very lucrative trade bringing the timber to Takow and Auping, where it finds a ready market both as building material and as firewood. Some descriptions of wood have been got in this way that were not previously known here.

Large
quantities of
forest trees
brought down
by mountain
torrents.

Road-making
and dredging:
nothing done.

Nothing has been done in the way of road-making or dredging. There have, however, been some enquiries made by Chinese merchants as to dredges suitable for clearing out the various creeks

and small rivers, both in the neighbourhood of the port and at other places along the coast. These creeks have to be dug out every two or three years. The expense is very great, and there is no doubt that one or two small dredges would eventually prove a great saving. There has been some talk, too, of pumps for irrigation purposes. At present large tracts of land are left uncultivated, although there is water in the immediate neighbourhood, on account of the inadequacy of native appliances to raise the water to a sufficient height. Pumps for irrigation purposes.

The Chinese are fully aware of the advantages to be gained by using foreign machinery, but they do not appear quite sure what the views of their officials may be on the matter, and are consequently slow to move. Still, matters in this direction seem more hopeful, and there is little doubt that if once a start is made, the use of machinery will spread very rapidly.

Table No. 1.—SHIPPING.

ENTERED.

Nationality.	Sailing.		Steam.		Total.		Total value of cargo in sterling.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	60	47,054	10	3,543	70	50,597	£ 401,013 15
Chinese	6	4,219	...	...	6	4,219	4,664 0
German	7	5,117	13	5,696	20	10,813	11,984 15
Japanese	1	637	...	...	1	637	...
Total	74	57,027	23	9,239	97	66,266	417,662 10
„ for the year preceding ...	62	48,918	24	8,513	86	57,431	359,367 0

CLEARED.

Nationality.	Sailing.		Steam.		Total.		Total value of cargo in sterling.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	60	47,827	10	3,543	70	51,370	£ 354,216 0
Chinese	6	4,219	...	...	6	4,219	6,296 5
German	7	5,117	13	5,696	20	10,813	127,874 10
Japanese	1	637	...	...	1	637	12,000 0
Total	74	57,800	23	9,239	97	67,039	500,386 15
„ for the year preceding ...	61	48,098	25	8,873	86	56,971	335,450 0

Exchange: 1 Haikwan tael = 5s.

Table No. 2.—RETURN of the Principal Articles of Import into Tainan during the Years 1890-89.

Articles.	Classifier of Quantity.	1890.		1889.	
		Quantity.	Value.	Quantity.	Value.
Foreign Goods.			£ s. d.		£ s. d.
Opium—					
Benares	Cwts. ...	622.36	39,852 0 0	632.58	40,687 0 0
Persian	" ...	3,203.75	247,135 0 0	2,690.25	232,126 10 0
Cotton goods—					
Shirtings, grey, plain ...	Pieces ...	22,198	9,886 0 0	21,707	9,684 5 0
" white, plain...	" ...	14,063	8,560 0 0	12,755	6,908 0 0
T-cloths, 32 inches ...	" ...	8,156	2,050 5 0	7,576	1,868 10 0
Miscellaneous cotton goods ... ..	...	...	5,761 5 0	...	5,561 15 0
Woollen goods—					
Camlets, English ...	Pieces ...	4,014	9,092 15 0	3,542	7,144 15 0
Lastings, plain ...	" ...	1,622	2,841 10 0	1,320	2,213 0 0
Alpacas	" ...	2,630	2,012 15 0	1,877	1,501 5 0
Italian cloth	" ...	1,706	1,321 0 0	1,771	1,413 0 0
Woollen thread ...	Cwts. ...	85	1,181 10 0	84	1,390 0 0
Miscellaneous woollen goods ... ..	...	...	5,258 15 0	...	4,508 5 0
Metals, miscellaneous ...	...	...	1,410 0 0	...	905 5 0
Sundries—					
Cuttle-fish... ..	Cwts. ...	606	2,419 5 0	261	938 10 0
Flour	" ...	5,119	3,254 5 0	3,635	2,317 19 0
Ginseng, American clarified	" ...	142	3,304 15 0	35	2,781 15 0
Kerosene, American ...	Gallons ...	304,460	8,956 10 0	295,870	12,121 0 0
Prawns and shrimps, dried	Cwts. ...	310	1 220 0 0	469	1,718 10 0
Miscellaneous sundries ...	...	...	17,929 5 0	...	17,401 5 0
Total foreign goods ...	...	...	375,510 5 0	...	322,810 0 0
Native Produce.					
Bags, Hemp	Pieces ...	251,700	2,115 5 0	194,900	1,697 15 0
" grass and straw ...	" ...	547,300	4,402 15 0	503,195	3,448 10 0
Cake-stuff	Cwts. ...	458	1,879 15 0	261	1,039 10 0
Grass-cloth, fine ...	" ...	92	1,643 5 0	121	2,133 15 0
Mats, straw	Pieces ...	299,261	1,845 15 0	87,221	683 10 0
Medicines ... ..	...	...	5,970 5 0	...	4,647 15 0
Silk piece goods...	Cwts. ...	140	2,778 5 0	18	1,451 15 0
Tobacco, prepared ...	" ...	769	2,230 0 0	723	2,304 5 0
Wood, poles	Pieces ...	5,920	2,271 0 0	968	474 10 0
Woollen and cotton mixtures	" ...	4,020	965 10 0	6,150	1,287 10 0
Miscellaneous ... ..	...	...	18,050 10 0	...	17,478 5 0
Total native produce...	...	...	41,152 5 0	...	36,557 0 0
Total foreign goods and native produce	...	...	417,662 10 0	...	359,367 0 0

Exchange: 1 Haikwan tacl = 5s.

Table No. 3.—RETURN of the Principal Articles of Export from Tainan during the Years 1890–89.

Articles.	Classifier of Quantity.	1890.		1889.	
		Quantity.	Value.	Quantity.	Value.
Exports.					
Gamphor	Cwts. ...	904	£ s. d. 1,968 15 0	709	1,447 5 0
Ground-nut cake	" ...	...	...	12,370	2,397 15 0
Hemp	" ...	2,036	4,900 5 0	1,636	3,248 0 0
Lung-ngan pulp	" ...	9,370	15,276 0 0	4,350	5,903 5 0
Lung-ngans, dried	" ...	12,481	12,524 15 0	1,970	1,417 5 0
Rice	" ...	641	214 0 0	3,786	1,484 15 0
Sugar, brown	" ...	805,682	392,428 5 0	647,896	276,093 5 0
" white	" ...	54,606	43,918 5 0	30,762	26,152 10 0
Turmeric	" ...	24,767	11,927 15 0	18,593	8,549 0 0
Miscellaneous	" ...	...	3,159 10 0	...	3,956 10 0
Total exports	...	...	483,327 10 0	...	331,349 10 0
Re-exports.					
Foreign goods...	...	...	11,913 10 0	...	3,689 0 0
Native produce	...	...	145 15 0	...	411 10 0
Total re-exports	...	...	12,059 5 0	...	4,100 10 0
" exports and re-exports	...	...	500,386 15 0	...	335,450 0 0

Exchange : 1 Haikwan tael = 5s.

Table No. 4.—SHOWING the Total Value of all Articles Exported from Tainan and Imported into Tainan from and to Foreign Countries and Chinese Ports during the Years 1889–90.

Country.	Exports.		Imports.	
	1890.	1889.	1890.	1889.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Hong-Kong ...	361,231 5 0	304,856 15 0	56,506 5 0	29,994 0 0
Japan ...	400 0 0	2,518 5 0	198,153 10 0	146,745 15 0
Total foreign countries ...	361,631 5 0	307,375 0 0	254,659 15 0	186,739 15 0
Chinese ports ...	55,931 5 0	51,952 0 0	245,727 0 0	148,710 5 0
Total foreign countries and Chinese ports ...	417,562 10 0	359,327 0 0	500,386 15 0	335,450 0 0

Exchange : 1 Haikwan tael = £s.

APPENDIX.

Report by Dr. W. W. Myers on the cultivation and manufacture of raw sugar in South Formosa, and on foreign relations with the trade therein.

The land in the south of this island is generally held by the Tenure of cultivators under metayer tenure, that is to say, the landlords find land. all or most of the implements, exacting from their tenants a certain proportion of the produce as rent.

Further on are given detailed explanations of the map accompanying this report, which shows the sugar districts into which, for trade purposes, the south of Formosa is divided.

In the northern or "Taiwanfoo" division, the people are more Condition of cultivators.

well to do than those in the southern or "Takow" districts; at least this is true of the cane planters, who in the latter district have, through a long series of years, allowed themselves to drift into a deplorable and apparently irremediable state of debt to a few capitalists. As matters now stand they may be literally looked on as little better than serfs working for bare subsistence. As a rule they are very illiterate, and so quite incapable of understanding, much less keeping complicated accounts, that they have gradually fallen a ready prey to the avarice of the money lenders, who have so far extended their grasp, that the whole Takow crop may be said to be more or less at their disposal.

Cultivators
completely
at mercy of
money-
lenders.

By a compound system of most usurious interest (18 per cent. to 36 per cent. per annum) debts that began at from 50 dol. to 100 dol. very rapidly spring up to amounts utterly beyond the possible capacity of the debtors to discharge; despair begets improvidence and carelessness until at last the state of the unfortunate people is such as described.

In the northern districts this evil has not assumed nearly the same magnitude and, as a consequence, the growers being more independent, competition amongst them has freer scope, thus bringing about a more healthy and natural ratio between the price and the real value of their products.

Takow dis-
tricts: trade
controlled by
one or two
individuals.

In the Takow division the number of capitalists has been gradually diminishing or concentrating, until now the land and its produce may almost be said to be at the mercy of one or two individuals.

Price of
sugar.

As foreigners are at present almost solely interested in the outturn from the "Takow" division, I go on to describe at the outset of this paper how the producers are there dealt with, and at the same time attempt to show why it is that, in spite of the obvious disadvantages, the price of sugar is kept up at an artificial standard, and the disposition of crop subordinated to the will and interests of those into whose hands the control has fallen.

Early in the year, in fact as soon as the new cane begins to show above ground, advances are made on the estimated amount of crop, a wide margin being allowed for possible loss or deterioration from flood, wind, or other risks. After the rainy season is over another valuation is made, and further advances granted. When the cane is cut a final instalment is paid.

Price paid to
growers.

These sums, barely sufficient to enable the receivers to live, are all debited, and when the sugar has been made the whole lot is valued and the amount allowed credited to the grower. The growers almost without exception declare that the utmost ever allowed in good years per cwt. is from 3s. 1d. to 3s. 4d., while the average is about 2s. 10d.

Of course the amount so credited makes but a small hole in the debt, which latter soon begins to increase by reason of the accumulating interest always calculated at compound rate. The lenders do not look, however, for repayment of a debt, the greater part of which is fictitious and the result of gross injustice.

This can be understood when I mention that they are rarely or never called on to part with the sugar thus acquired at less than 7s. per cwt. when sold by them to foreigners at the port. It is to be noted that whereas the amounts paid or allowed for the growers are calculated at the rate of 68 taels weight of silver per 100 Mexican dol., the prices demanded by the vendors at the port are reckoned and paid for at the rate of 73 taels to every 100 dol., thus the exchange alone is an additional source of no inconsiderable profit to the already highly favoured seller.

Price paid by
foreigners.

Add on to the original price (say 3s. 4d.) 8½d. per cwt., as the fair average cost of transport from the mills, and we arrive at 2s. 11½d. as a margin left for profit; so they can well afford to treat their loans with indifference, and compete with the foreigner or anyone else buying for Japan; seeing that the latter must estimate his cost at the market rate he will be bound to pay in the port (Takow).

It may be asked why foreigners do not come forward and themselves make advances against future crops, but to this the reply is that by no known means could they acquire the knowledge and hold over the growers, which would warrant them in thus risking a single dollar. The Chinese capitalists besides being natives of the district, and intimately connected with everyone in it, employ a large staff of men whose duty it is to keep moving from field to field and place to place, watching the growth and condition of the cane; in fact preserving a constant command over it, until, cut and crushed, its resulting sugar is finally handed over to them. No foreigner could ever hope to attain such a position as this. With such advantages it is not to be wondered at that these capitalists can profitably sell on the local foreign market, and in equally profitable manner undersell the same buyers in the final one.

Even the so-called landlords have got more or less deeply into the clutches of the money lenders, and their share of produce is as firmly grasped as that nominally belonging to their unfortunate tenants.

The soil in the different districts, and indeed in various parts of the same district, seems to differ considerably in its sugar producing properties. The most marked distinction, however, is between the sugar got from the northern or Taiwanfoo district, and that of the Takow division. In the latter, though no more care in cultivation of the cane or treatment of the juice is shown than in the Taiwanfoo department, the products are much richer in crystallizable sugar, and consequently grade for grade of much higher commercial value, at least from a foreign point of view.

Difference in
soil.

Sugar in
Takow dis-
tricts richer
than in
northern
districts.

The species of plant grown is that known as the Chinese cane: and though it is stated that the sorghum or sugar grass is cultivated in Formosa, I have not been able to verify this assertion, at least as far as the southern part of the island is concerned.

Description of
cane grown.

Through negligence in cultivation the China cane dwindles to
(1094)

Bad cultiva-
tion.

B

Irrigation
neglected.

a very small size, the joints only averaging from 1 inch to 1½ inches in circumference. Little or no attention appears to be devoted to the plant beyond putting it in the ground, notwithstanding that the Chinese here are as expert agriculturalists when dealing with other crops as they notoriously are elsewhere. Even irrigation, which to the comparatively limited extent necessary for canes one would expect to see carried out by a people so skilful, and persevering in such a system (as is proved by their exertions in the adjoining rice fields) is, in the case of the cane patches, utterly neglected; and it is by no means an unusual occurrence to see most promising crops considerably deteriorated in value by so-called droughts, which latter would elsewhere be easily counteracted by a simple artificial supply of the needed moisture.

Planting of
cane.

Plantings in Formosa are made from cuttings about once in three years. These are first soaked in water for about 20 days, until the buds begin to sprout, they are then placed obliquely in the ground, more or less in a line, with one end protruding, the furrow for their reception being scraped with the hands. A little manure is placed over them, but, beyond this, with perhaps an exceptional and occasional weeding by some of the more careful growers, no further attention is paid to the crop until it is cut.

The crops for the last two years of the three above mentioned are raised from ratoons, and at the end of the third year the roots are dug out and burnt, the ashes being worked into the soil, on which another crop, generally potatoes, is grown before the land is again devoted to cane.

Crushing of
cane by stone
mills.

Cane-crushing.—This is effected by stone-mills worked by two or sometimes three buffaloes. These mills are set up and owned by the land proprietors, and are generally held in 12 shares, each share being further subdivided into four. The holder or holders of each share must provide two buffaloes.

These mills are erected at the beginning of each season, usually early in December, and are dismantled at its conclusion, the stones being buried in the earth for their preservation.

The animals work in spells of from an hour to an hour and a half, according to the time they take to extract sufficient juice to half-fill the receiving pan; that is to say, about 2 piculs of juice. There are, as a rule, four boilermen, and four attendants on the mill, working in day and night shifts, besides cowmen. The boilermen are permitted to retain and sell all cane trash not required for the furnace, and this perquisite is reckoned in lieu of, or at least in great part towards, their wages.

All growers who choose to do so may bring their cane for treatment (up to the full capacity of the mill, which term, I should mention, also includes the boiling house), and if they elect to provide buffaloes and drivers, as is mostly the case in the middle portions of the sugar districts, only 7 per cent. of the sugar produced is retained by the millowners as remuneration for the labour of manufacture. In the more southern part, however, it appears to be the custom for the millowners to insist on using

their own buffaloes : when they retain as much as from 40 to 50 per cent. of the produce as payment for their work.

The following description of the mills in use in Formosa will show how very far short they come of fulfilling ordinary requirements, leading to much loss of product. Two granite rollers, 25 inches in diameter by 30 inches in height, are placed in apposition. At the top of each roller a row of depressions is cut into which are fitted hard wood cogs. By means of the latter the motion is imparted to the right-hand stone, from the left-hand one. Wooden spindles are let into the centre of each stone at top and bottom respectively. By the lower of these the stones fit into a granite, or sometimes wooden bed-plate, while the top ones project through a transverse wooden binding beam, the left-hand upper spindle being prolonged so as to afford attachment for the lever, at the further end of which the buffaloes are yoked.

Description of
mill used.

The apposition of the rollers to each other is secured and judged according to the ability of the millwright ; and as the wooden binding beam is constantly wearing, and thus the distance between the rollers always varying, the pressure on the cane, only roughly set at first, is most irregular in its application all through.

To modify the effects of this as far as possible the natives pass the cane thrice through the mill, but as the following experiments show, the results obtained are by no means perfect.

Then again the frequent stoppages for readjustment and repairing the mills are also a constant trouble and drawback. The wooden cogs have also to be frequently replaced, as, indeed, is the case with all the other wooden parts of the machine ; causing the millowner a never ceasing outlay.

The following is an approximate estimate of the first cost of one of these mills in Formosa :—

Cost of native
mills.

Two granite stones at landing port, 50 dol. to 100 dol per pair, according to market rate at time of purchase. Taking minimum 50 dol.

	Dollars.
Overland transport to destination, per mile (about)	1
Lapidary dressing stones	30
Granite seat	40
Cogs and other wooden fittings renewed each season	20
Iron work	12
Minimum first cost	153
or, say, 25 <i>l.</i> 10 <i>s.</i> sterling.	

Besides the above, at the commencement of each season, renewing the wooden fittings, erecting the shed and setting up the mill, costs from 80 dol. to 100 dol. (say 13*l.* 6*s.* 8*d.* to 16*l.* 13*s.* 4*d.*), to say nothing of the cost of contemporary repairs occurring all the time the mill is running.

The following experiments made alongside of, and in direct contrast with the native mill, with two small foreign iron roller

Comparison of
work done by
native and
foreign mills.

mills, one a single feed, and the other a double feed mill, conclusively show the disadvantages under which the natives are working. Both the above mills can be sold here at about 75 dol. (say 12*l.* 10*s.*) for the single, and 100 dol. (say 16*l.*) for the double feed mill. 100 lbs. of cane, carefully weighed and crushed by the Chinese mill, being passed thrice between the rollers; this experiment was repeated several times. From all the operations a mean weight equal to 50 lbs. of juice was obtained from each 100 lbs. of cane pressed. Similar weights of cane were then crushed by each foreign mill, being only passed once through the rollers in every case, when 68 lbs. of juice was found to be the average quantity expressed from every 100 lbs. of cane, showing a gain in favour of the foreign mill of 18 per cent. per weight of cane. As a control experiment the trash from each 100 lbs. of native-crushed cane was put through the foreign machine, when the juice got therefrom was found to weigh 18 lbs., thus confirming the accuracy of the first set of experiments and showing that for every 100 lbs. of cane crushed by the Chinese method, 18 lbs. of juice remains in the begass and is utterly lost.

Nor must it be assumed that the extra crushing given by the foreign mill is in excess of what the quality of the juice obtained warrants; for the native experts not only admitted that their own trash was obviously insufficiently pressed, but that the juice got by the foreign mills both from the cane direct, and from their trash, was as good if not better (it was certainly cleaner) than that obtained by their own mills.

Calculating out what this means on the whole crop from the Takow districts alone, we find, assuming the latter to be on an average 357,232 cwts. sugar, got from 320,000,000 lbs. of cane, and taking the ratio juice bears to sugar as given by the producers, 57,600,000 lbs. of juice (128,751 cwts. sugar) is left in the trash and used as fuel. Taking the average selling price at Takow, and I may remark that this is a very low estimate, at 8*s.* 4*d.* per picul, equal to 7*s.* per cwt., the value of sugar thus lost is 45,062*l.* 17*s.*, a sum which would show an ample margin of profit if every cane grower merely purchased a machine, had his canes crushed in the ordinary way, by the Chinese mills, and contented himself with simply using his foreign machine for crushing the begass, as it came out from the native establishments. Again, the sum thus lost is in fact very nearly equal to one-third of the total amount at present realised every year from the 357,232 cwts. actually got and exported.

The surroundings of these mills are dirty in the extreme, and the juice flows from the rollers by means of a leaky bamboo pipe, led under a filthy buffalo walk, until it arrives at the first pan, or what ought to be the clarifying receptacle. In the Takow districts the cane tops are ignited, and thus burnt off while the plants are still standing. More or less charred material adheres to the cane, discolouring the exposed juice until it is literally as black as ink.

There is here also a complete absence of any attempt at cleanliness, the filthiest hands are dipped and even washed in the juice; and while large pieces of trash, saturated with the fluid they have absorbed, are roughly taken out and thrown away, no efforts are made to get rid of the smaller fragments ("cush-cush").

Clarification of Juice.—Under this heading, beyond stating that lime is added according to the discretion of the boilermen exercised in very rough and ready fashion, there is little to be further described. The unslaked lime used is kept in a corner of a very dirty room, constantly exposed to the atmosphere, and is full of dirt and other extraneous matter. Clarification of juice.

There is no attempt at filtration as the juice is ladled from the receiving pan into the first "tache." The boiling "battery" consists as a rule of from four to five "taches," and under each one is a furnace.

As the boilerman, by some rule which it seems impossible to discover, thinks a sufficient amount of concentration has been arrived at in one "tache" he ladles the contents into another, and so on. It is quite possible at any given time that the fires beneath the lower pans are burning less briskly than those under the upper ones; and although the liquor thrown into the first pans shows a low percentage of invert, by the time it has reached the "striking tache," this has probably been trebled. In the northern districts where special efforts are made to "grain large" the result is accompanied by a very great loss from inversion. The object of this latter attempt is to get "Lao-tsai," the raw material from which so-called "white" is procured by means of claying.

With reference to the other brown varieties of sugar made Formosa, I could not discover that other than mere chance, perhaps regulated to some slight extent by rough experience, determined either the grain of the product or the amount of crystallisable which happens to survive the crude treatment the liquor has been subjected to all through.

Clayed or "White" Sugar.—This, as before explained, is got from "Lao-tsai." Each jar holds from 133½ lbs. to 200 lbs. Clayed or white sugar. The clay or mud placed at the top of the jars is that scraped from the bottom of sewers, canals or ponds; and the natives about Taiwanfoo assert that that got from the bottom of the canal just outside the city walls, which is in fact nothing but a gigantic sewer, produces sugar with the best taste. This may be due to the fact that the canal being connected with the sea, always contains more or less salt water, which latter may impart the improved taste.

The following are the proportions of different grades of white sugar got from one picul of "Lao-tsai." The top layer of all, equal in amount to 5 per cent. of the whole, is known as No. 1 white; the 2nd layer (15 per cent.) is known as No. 2 white; the 3rd layer (25 per cent.) is known as No. 3 white; the 4th layer (25 per cent.) is known as No. 4 white; while 30 per cent.

of molasses drains out. The latter is reboiled, and about 60 per cent. of sugar procured from it. This is known as "Cha-soa," and is in some demand in North China.

From the foregoing necessarily brief description of the methods used in Formosa for procuring sugar, and the quality of the product obtained, it is hoped some idea may be conveyed as to the extremely backward condition of the industry.

Spirit distilled from molasses.

A spirit (samshu) is very roughly distilled from molasses that cannot be further utilised at the boiling houses; but the distillation is carried on indiscriminately over the country by any person who cares to buy the molasses.

The skimmings at the mills and other saccharine refuse are generally given to pigs, and the idea of using them for the ground seems to be unthought of. The general waste from this neglect alone is as great as it is deplorable.

Foreign Relations with the Formosan Sugar Trade.

Two sugar districts.

Speaking generally we may consider that there are two sugar districts in South Formosa, namely, Takow, comprising the portion marked in blue on the accompanying map, which has been copied from the imperial maritime customs annual report for 1880, and Taiwanfoo, comprising that portion marked in red. Taiwanfoo is the name of the southern prefecture of Formosa as known to trade, the new official designation of Tainanfoo not yet having come into general use.

These boundaries are only approximate, as are also the figures, denoting yield of sugar obtained in the best known years.

Only raw sugar manufactured.

Both in the Takow and Taiwanfoo divisions raw sugar is manufactured, this being the only description exported from Formosa.

Takow sugar

Takow sugar is an ordinary brown variety, that is to say, it is the raw undrained article, exported as it comes from the boiling pans. The only modifications in quality known to the trade are those either consequent on an excess of molasses (*i.e.*, inversion, owing to deficiencies in the mode of manufacture), or on a superfluity of moisture due to atmospheric conditions, varying with the period of the year at which the sugar is exported.

Richness of Takow sugar

Technically speaking, and in spite of the numerous drawbacks which its crude method of preparation presents, so rich is the quality of the cane, and so suitable the soil, that "Takow brown" at any time contains a proportion of crystallisable sugar which compares most satisfactorily with varieties produced elsewhere, and under much more favourable conditions. Looking at this sugar merely as a saccharine material, western refineries would be glad to get it, but by reason of its gross adulteration with coarse extraneous matter, it is said not to be well adapted to the machinery in ordinary use, and this to some extent modifies the advantages its composition would seem at first sight to offer. For this reason, and the fact that the average cost price in Formosa has been much above that which might tempt foreign buyers, an

outlet through western and American markets has been practically closed for several years.

From the foregoing and certain local considerations, the only two markets open for South Formosa sugars are Japan and North China. Now in both these places the popular taste is much behind that which obtains in other parts of the world. It is, so to speak, at the same low standard that prevailed in Europe in early times. The mass of the consumers do not care for, in fact will not have, refined sugar, or, what is the same thing otherwise expressed, crystallisable sugar, entirely deprived of its concomitant molasses.

Japan and North China only markets for Takow sugar.

The Chinese taste in this respect, however, must be rated higher than that of the Japanese, for although they both agree in rejecting "refined sugar," still it cannot be doubted that in North China, at least, great numbers of the consumers, while adhering to the preference for sugar containing some molasses, are not only willing, but in many cases demand, that this latter be reduced to the minimum compatible with what is, in trade language, known as "raw" as distinguished from "refined." Hence in North China, South Formosa sugar that has been considerably drained of its molasses by means of the rough method known as "claying," finds a ready market; while in Japan there is no demand whatever for it. The Japanese, on the other hand, advancing towards but still not reaching the Chinese standard ask for a "brown" sugar, as light in colour, certainly, as is compatible with that designation, but absolutely refuse to touch any that has been drained even to the extent of bringing it up to the class known as "Taiwanfoo white."

Difference of Chinese and Japanese taste.

In other words, the Japanese, and, though to a lesser extent, also the Chinese palate, has not as yet been sufficiently educated to control its prejudices in accordance with the real requirements of the animal system. To gratify, therefore, what is only a fancy these peoples demand a greater proportion of something (molasses) which is in itself undesirable as a food and necessarily more or less limits the quantity of that, which from a purely dietetic point of view, is really essential.

That is to say:—Takow sugar, containing the greatest proportion of crystallisable, in conjunction with the demanded amount of molasses, commends itself, even to the rejection of the brown varieties produced in the Taiwanfoo district, to the Japanese, because they instinctively, though perhaps unconsciously, recognise its superiority over other qualities less possessed of this substantial merit. To supply this demand on that market the whole of the crop at present produced in the Takow district is inadequate, and in consequence of this ready outlet, together with the causes previously detailed, prices at the source of production are kept at a figure prohibitive of export to foreign countries for the purposes of "refinement."

Takow sugar preferred in Japan.

This will also explain why no local refinery, in the European sense of the term, could be profitably worked here; while the export duty to which its products would be subjected must so heavily handicap it with others working in places free of such

A local refinery could not be profitably worked.

impost, that even if the foreign markets to which its outturn would be practically confined were sufficiently attractive, competition elsewhere must in the end prove too strong.

Again, supposing it were worth while to treat the raw material on the spot, instead of selling it for refinement abroad, the whole crop in South Formosa is, at least under present conditions, so small that this fact alone would probably be deemed sufficient bar to any such enterprise.

No doubt both in China and Japan there may be a comparatively small and well-to-do class to whom the attractive appearance of refined sugar proves effective as an inducement for purchase, but their patronage must be very limited when compared with that of the mass of consumers, and, therefore, however interesting to the philanthropist, who looks to the future education and cultivation of the popular taste for sentimental reward, it is not likely that such opportunity would commend itself to the commercial mind, more prone to consider immediate prospects of benefit than those which would, if ever realised, necessarily fall to the lot of posterity.

Hong-Kong
refineries.

It may be mentioned that the refineries in Hong-Kong make strenuous and, perhaps, not unsuccessful attempts to induce this class to take their products. Limited though this outlet, comparatively speaking, is, still as these establishments depend on Australia and other foreign places, and in fact practically exist for these markets, it may pay them to cultivate even the restricted opening afforded by the luxurious tendencies of the well-to-do in China and Japan. But save as an off-means for disposing of surplus production, this demand is much too insignificant to warrant refineries being started solely to supply it.

Object of this
paper.

As our object, however, at this time is merely to show what opportunities for trade Formosa sugar offers, and to discover, if possible, from the investigation whether openings exist sufficiently profitable to tempt foreigners to engage in it, confined as they must be by the limits that we have attempted to define; we will go on to describe such particulars of this trade as may afford necessary data for forming the desired conclusions.

Taiwanfoo
sugar.

Four kinds or grades of sugar are produced in the Taiwanfoo district, one of which (Lao-tsai) is not exported, but solely used for the production of—so-called—white sugar, while from the molasses drained therefrom in this process a fifth variety is got by reboiling, and known as “Cha-soa.” The other three kinds of brown sugar, produced in these districts are known respectively as “Sheung-taou,” “Tiong-taou” and “Ka-pan” or ship. They differ from each other by the care taken in manufacture, so producing better graining with less amount of “invert sugar,” and are classed in order of merit and price as above given, from the clean, fine-grained, dry “Sheung-taou” down to the irregularly crystallised “Ka-pan” with its superabundance of molasses.

Markets for
Taiwanfoo
sugar.

Practically the sole markets to which the Taiwanfoo sugars, both white and brown go, are those supplied by the coast ports, beginning at or about Foochow or Wenchow in the south and

extending up to Tientsin and Newchwang in the north. Shanghai, Chefoo and Tientsin are the places through which the greatest bulk of the crop appears to be absorbed, but it must be noted that while the figures given in the customs returns refer entirely to sugar shipped in foreign bottoms, a certain and not inconsiderable amount is also carried away by native craft to places all along the coast line indicated.

It is extremely difficult to get at even an approximate estimate of what quantity does go away in junks, sailing as these vessels do from several small ports on the west coast of Formosa not open to foreign trade. The native-borne cargoes from Takow are comparatively small, no doubt because of the very much greater demand for this sugar in Japan, to which place it is carried entirely by foreign ships.

Owing to the determined action of the various sugar guilds in China and the pertinacity which they show in "boycotting" any foreign vendors who venture to engage in the trade, the latter have for several years, and after losing considerably by the attempt to overcome the opposition, completely refrained from further efforts; hence it comes about that the only chance they have of touching sugar in Formosa is for the Japanese market and from the Takow districts.

Even here their connection with the trade, besides being somewhat precarious, is completely limited by, and dependent on, the goodwill of the one or two native capitalists, who for reasons previously detailed may be said to possess full command of the whole Takow crop. In this latter district one rich Chinese "Hong" boasts that they hold in their hands at least half of this year's produce, and that, by reason of their wealth and position, they can to considerable extent control the disposal of the other moiety.

Making every allowance for native vanity it must be admitted that the assertion is not very far off the truth; for, as a fact, there is but one other native merchant who can, or at any rate does, make any show of acting independently of the firm alluded to. There can be no doubt but that the great majority of foreign merchants are compelled to resort to this Hong for assistance in buying sugar or settling steamer freights from the port. At first sight it seems strange that this firm should concern themselves at all with foreigners, seeing that they ship largely to Yokohama on their own account, where they have a branch establishment. As their working expenses are necessarily infinitely less than those of foreigners, to say nothing of the much lower prime cost at which they obtain their cargoes, they must always hold a commanding position in the competition, which, moreover, it would appear they can put an end to at any time they feel so disposed.

Fortunately for those foreigners, however, whose fate or inclination leads them to engage in this trade, a force, real or imaginary, has considerable effect in impelling the Chinese to preserve at least nominal commercial contact with western

(1094)

C

traders. I allude to the great fear they have of their authorities, and the hope they entertain that a business carried on, even nominally, in conjunction with foreigners, may, to a great extent, divert the dreaded official attention which their wealth would undoubtedly attract if not so protected. As a consequence, under the somewhat euphemistic title of "comprador" they form alliances with foreigners, and in return allow or assist the latter to do just that amount of business, which the necessities of the case controlled by the extent to which the forbearance of the foreigner can be strained, admit.

Co-operation
of foreigners
in trade
decreasing.

It will be obvious from this that the openings available to foreign enterprise, even in the Takow sugar districts, are as limited as their tenure is uncertain, and year by year the co-operation of foreigners has been lessening, nor does there seem much reason for hope that, so long as matters remain as they are at present, foreign merchants can look for a fairer and more reliable share of the business. It would seem, therefore, that the commercial problem (on the solution of which depends the question as to whether it will be worth while for foreigners to continue their connection much longer in the constrained and disadvantageous manner now available), may be stated as follows.

Introduction
of foreign
machinery :
probable
effect of.

The introduction of foreign machines and improved methods of manufacture could only lead to such returns as might be got through the sale of said machinery ; and the prospect of even this is, by reason of the strong prejudices to be overcome, coupled with the tardiness in accepting any innovation peculiar to Chinese, likely to be deferred to a date so remote, that save as a collateral eventuality, it could take no part in attracting mercantile attention, which latter is always more concerned with that which presents a likelihood of fairly immediate returns, rather than with speculations the realisations of which are indefinitely postponed, and even offer no certainty that the result will be commensurate with the patience and labour expended. The practical question, then, that remains is :

Means of
improving
sugar at
present
produced.

Can foreigners, with the superior means at their disposal, accept the crude material, as at present obtainable in this island, and, by certain simple manipulations, produce an article suitable to the peculiar requirements of both the Chinese and Japanese markets, which will, by its higher merits, take precedence of anything the native merchants can offer. It would seem that without going to any such very inadmissible extreme as is implied by the term "refining" in its actual or ordinary technical acceptance, such a "plan of campaign" offers very reasonable prospects of success. It may be urged that the same reasons, which at present limit the supply of the raw material for export by foreigners, would prove obstructive to its possession for the treatment suggested, but in reply to this it can be said that in the Taiwanfoo districts (the main products of which offer a tempting field for enterprise, if only means could be devised for overcoming the artificial barriers set up against foreign participation

by native brokers on the ultimate markets), there does not exist that limited native control of original material which I have shown obtains in the Takow division, and thus this difficulty of supply does not arise. Therefore those who can by rapidity of improved outturn command a supply of the latter at its source would create a state of matters which would, in face of the demand abroad that has to be met, render foreigners nearly independent of any coalitions against them by rival mainland vendors.

I am here chiefly alluding to the grades of so-called "Taiwanfoo white" sugar from Lao-tsai, and it must be understood that the process suggested does in no way affect compliance with the aforesaid requirements of the consumers, or render the produce liable to be ranked as other than a drained variety of raw sugar, exactly similar in all details, save in superiority of quality, to what is at present imperfectly and very slowly got by "claying."

In Takow, however, there would be necessarily more local difficulty in commanding the supply of original material for improved treatment, but here, what I may call the polarity of support is reversed, for there is, no doubt, an increasing demand for improved "Takow brown" in Japan, and as the principal local obstructionist is so far aware of this as to have himself attempted a partial, though rough, compliance with the demand, by making laborious and limited selections which have already established a name for their mark (H. H.) there is good reason to believe that, under this pressure he would be more ready to co-operate further with foreigners in this direction than he would dream of doing in the semi-competitive line he at present permits them to take up. The sole reason, of course, for this complaisance would be that by it a greater profit might be anticipated than that which the most successful limitation, or even suppression, of foreign competition could under present conditions vouchsafe, and that without foreign aid and participation he could do nothing effective.

By means of the above alternative, of which the space at command only permits my hinting at in outline, foreign participation in the Taiwanfoo sugar trade, at present prevented by the opposition at the final markets, and also connection with that of the Takow district now limited by the semi-hostile action of local holders, may be diverted or materially modified; in the latter instance by favouring influences at the ultimate destination of the produce, while in the former case the more propitious local conditions seem able to so change the aspect of affairs in north China that a similarly desirable opening may be obtained, justifiably attracting foreign capital and enterprise.

Unless this or some other plan is speedily adopted it seems highly probable that sugar from Formosa, in common with so many articles of trade in China, must pass entirely into native hands.

Probable that trade will pass entirely into Chinese hands.

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959. Odessa	1d.	1019. Piræus	1d.
960. Copenhagen.. ..	9d.	1020. Mogador	1d.
961. Tokio	1d.	1021. Adrianople	½d.
962. Salonica	1½d.	1022. Tripoli	1d.
963. Stettin	3½d.	1023. Jerusalem	1d.
964. Philadelphia	2d.	1024. Odessa	6d.
965. Mexico	2d.	1025. Genoa	1½d.
966. Malaga	2½d.	1026. Kiungchow	1d.
967. Berne	1d.	1027. Batoum	4½d.
968. Puerto Rico	½d.	1028. Buenos Ayres	1d.
969. Buda-Pesth	1d.	1029. Batavia	1d.
970. Bogotá	1d.	1030. Santo Domingo	½d.
971. Panama	1½d.	1031. San José	1d.
972. Munich	2d.	1032. Manila	1½d.
973. Copenhagen.. ..	4d.	1033. Marseilles	1d.
974. Guatemala	1d.	1034. Swatow	1d.
975. Munich	2d.	1035. Paris.. ..	1d.
976. Meshed	1½d.	1036. Ichang	5d.
977. Para	½d.	1037. Pakhoi	1d.
978. Florence	1d.	1038. Foochow	1d.
979. The Hague	1½d.	1039. Brest.. ..	1d.
980. Patras	1d.	1040. Madeira	½d.
981. Paris.. ..	1½d.	1041. Antwerp	1½d.
982. Zanzibar	2½d.	1042. Taganrog	2½d.
983. Buenos Ayres	½d.	1043. Algiers	2½d.
984. Copenhagen.. ..	1d.	1044. Hankow	1½d.
985. Stuttgart	1d.	1045. Nantes	1½d.
986. New Orleans	1½d.	1046. Belgrade	2d.
987. New Orleans	10d.	1047. Fiume	1d.
988. Suakin	½d.	1048. Wuhu	1d.
989. Galveston	1½d.	1049. Cagliari	1d.
990. Berlin	1d.	1050. Erzeroum	1d.
991. Zanzibar	1½d.	1051. Syra	1d.
992. Guayaquil	1d.	1052. Cherbourg	1d.
993. Tonga	1d.	1053. Lima.. ..	1d.
994. New Orleans	14.	1054. Bilbao	1½d.
995. Mozambique	1½d.	1055. Cadiz	2d.
996. Galatz	1½d.	1056. Corunna	2½d.
997. Nantes	1½d.	1057. Saigon	1d.
998. Algiers	1d.	1058. Port-au-Prince	1d.
999. Havre	2½d.	1059. Trebizond	1d.
1000. Buenos Ayres	6d.	1060. Barcelona	1½d.

No. 1061.

Reference to previous Report, Annual Series No. 875.

CHINA.

TAINAN.

Consul Warren to the Marquis of Salisbury.

My Lord, *Tainan, March 29, 1892.*
I HAVE the honour to enclose herewith my Report on the
Trade of this Port for the year 1891.
I have, &c.
(Signed) PELHAM WARREN.

Report on the Trade of Tainan for the Year 1891.

ABSTRACT of Contents.

	PAGE
Introduction	1
Shipping	2
Imports—	
Opium	2
Sesamum cake.. .. .	3
Tientsin	3
Piece-goods	4
Kerosene	4
Exports—	
Brown sugar	4
White	5
Camphor	5
Sesamum seed.. .. .	5
Turmeric	5
General remarks—	
Robbers	6
Savages and Chinese	6
Coal	6
Harbour dredging	6
Earthquakes	7
Tables	7-9

As anticipated in my last report, the trade of 1891 shows a decrease in value of trade.
decrease in value as compared with 1890.
(1323)

The decrease, which amounts in all to 106,904*l.*, is to be chiefly attributed to a falling-off in the export of sugar, consequent on the short out-turn of the 1890-91 crop, and to the low prices that ruled throughout the year for opium. In other respects there was little or no change in the trade, save, as will be seen, in the import of kerosene oil, which shows a considerable decline.

Shipping.

Shipping. The total tonnage entered and cleared for 1891 was 111,947 tons, as against 133,305 tons in 1890. The number of British vessels employed was, as nearly as possible, the same as during the previous year, the falling-off being divided amongst other nationalities. Sailing vessels found no employment except to the northern ports of China, and even this to a very limited extent. Steamers continue gradually but steadily to monopolise the whole of the trade.

Imports.

Imports. The value of the import trade was 388,415*l.*, as against 417,662*l.* in 1890.

Indian opium. The import of Indian opium was less by some 180 cwts. than in the previous year, while Persian increased from 3,203 cwts. to 3,825 cwts. Prices for Benares opium ranged from 76*l.* 15*s.* 10*d.* to 82*l.* 6*s.* 8*d.*, but the demand was slight. Persian opium showed a steady decline in price throughout the year. Commencing in January at 74*l.* 8*s.* 4*d.* to 75*l.* 4*s.* 2*d.* per chest, the price had by the end of December fallen to 50*l.* 13*s.* 4*d.*, and is still declining. The new Persian, which commenced to arrive here in August, was quoted at 61*l.* 1*s.* 8*d.*, but by the end of the year it had fallen to 52*l.* 5*s.*, and the market is still falling. There is a marked difference between these prices and those obtained in 1890, which ranged from 74*l.* 8*s.* 4*d.* to 89*l.* 7*s.* 6*d.*, and to this difference in price is, to a great extent, to be attributed the falling-off in the total value of the import trade in 1891. Persian opium was imported to the extent of 622 cwts. in excess of the import of the preceding year, but in consequence of the fall in price the total value was 224,223*l.*, as against 247,135*l.*

Causes of low prices. The causes of the low prices that ruled for opium were, in the first place, the large stocks held in Hong-Kong, and which it was well known by Chinese dealers must ultimately come forward, there being little demand for Persian opium except in Formosa, and, in the second place, the competition with native drug. The low price, however, at which Persian has been sold appears to have succeeded in temporarily driving native opium out of the field. The import has considerably decreased, and all attempts to cultivate the poppy in this part of the island have ceased.

Reasons why Persian opium still continues steadily to gain ground against

Indian. Being comparatively cheap, it is quite within the reach of the labouring class, which constitutes the largest part of the population. Persian opium is of different qualities, and is sold at varying prices per picul (133½ lbs.), whilst Benares, the only Indian drug that finds a market here, is all of the same quality, and is sold by the chest, supposed to contain 160 lbs. Now, although the standard Government weight for each chest of Benares is 120 catties, the out-turn is seldom more than from 115 catties to 116 catties, and is sometimes as low as 110 catties; it is only during the first two or three months after the arrival of the new drug from Calcutta that the exact weight of 120 catties is turned out. This uncertainty as to weight leads buyers to prefer Persian opium to Benares opium. Persian opium is preferred to Indian.

Again, Persian opium is, as regards form and colour, as well as quality, being steadily improved to suit the taste of the consumer. After it has been once smoked the ashes, if the opium is of the best quality, can be used mixed with fresh opium some six or seven times, whereas Benares cannot be thus used more than once. The touch of Persian opium varies from 75 catties to as high as 90 catties, while Benares opium is always from 73 catties to 75 catties. The smoke of Persian opium is milder, and, in consequence, more suited to a tropical climate. Benares is not used here alone, but mixed with Persian or native drug. Persian opium, on the contrary, can be smoked alone. Unless some change is made in the Indian opium to suit popular taste there is no chance of its recovering the position in the Formosa markets that it once held.

At present, in consequence of the unprecedented low rates Native opium. ruling for Persian opium, there is very little demand for native drug; still it is used mixed with Benares opium, and the prepared mixture is sold under the name of Benares opium, but at cheaper rates. In the absence of foreign opium the native opium is sometimes used alone, or, for the sake of improved flavour, mixed with the ashes or refuse of foreign opium. It is also mixed with Tientsin cake and sesamum cake, and smoked by the lower classes when the price of foreign drug is too high to suit their means. The native opium is imported here from Tung-an, about 20 miles from Amoy, and also from Wênchow and Taichow, and is, as a rule, smuggled in junks. It is made into square cakes, and, being very soft, is usually squeezed into large bamboo pipes, and thus evades search.

Sesamum cake is imported from Hankow, and the average Sesamum price is 3l. 3s. 4d. per chest of 160 lbs. One-fourth of sesamum cake. cake to three-fourths of foreign opium is the ordinary mixture used for smoking.

Tientsin cake is said to be made from cowskin, pigskin, lily Tientsin cake. flower, sesamum seeds, and other ingredients, and is smoked mixed with foreign opium in about equal parts. It has been stated that this cake is partly composed of opium refuse, but it would appear that this is not the case. The annual import is about 400 chests, containing each 200 lbs. The import of native

(1228)

drug and of the different varieties of cake affects the consumption of foreign opium to a small extent at present. But the poorer classes are becoming accustomed, though slowly, to the flavour of these mixtures, and any considerable rise in the price of foreign opium would probably at once cause considerable increase in the import both of cake and of native drug. If duty and likin were levied on native opium in the same way as on foreign the former would certainly never find a market here.

Piece-goods,
cotton and
woollen.

Piece-goods, both cotton and woollen, show a slight falling-off in quantity imported, but better prices ruled than during 1891; still the total value of the trade only reached some 48,000*l*.

General
imports:
kerosene.

There was a most remarkable decrease in the import of kerosene oil during the year. In 1890 304,460 gallons were imported; this import fell in 1891 to 125,400 gallons. This is not to be attributed to any falling-off in the demand; on the contrary, the demand has increased, and is continuing to do so steadily, and doubtless the actual import has been considerably in excess of that of former years. Unfortunately, this branch of the carrying trade is being gradually transferred, as others have already been, from foreign to native bottoms. Large quantities of oil are shipped from Namoa direct to the ports of Anping and Takow, and also to the small ports on the west coast of the island. There is no duty leviable on cargo imported in native bottoms, which gives the shippers by junk to Anping and Takow a great advantage over those who ship in foreign vessels. But it is not at these ports that the chief injury is done to the foreign carrying trade. According to the likin regulations, there is no likin leviable upon imports, but by a curious confusion of terms the Chinese authorities here insist that an import into the treaty port becomes an export if sent up country by boat, and in consequence all merchandise thus sent is taxed. The result is that not only oil, but other merchandise, goes direct to these small ports in junks, and thus avoids the payment both of duty and of likin. This puts the foreign importers at a very great disadvantage, and will, if the practice continues, as under existing circumstances it most certainly will, interfere seriously with the interests of foreign shipping and those of the foreign merchants engaged in trade at this port.

Exports.

Brown sugar.

The export of brown sugar in 1891 was less by some 150,000 cwts. than that of the preceding year. The out-turn of the crop was short, and the prices demanded by growers high; whilst the Japan market was low, consequent on plentiful supplies from Manila and Java, and the export under these circumstances did not prove profitable to those concerned. There is nothing fresh to note in this branch of the trade of the port. Japan still takes all the sugar produced in the Takow districts, whilst the entire

crop of so-called Tainanfoo sugar goes to the northern ports of China.

A further attempt was made to introduce foreign crushing-mills in place of the somewhat rude native mills at present in use. At Po-a-ka, a large village in the centre of the northern sugar districts, and situated about 30 miles north of Tainanfoo, a crushing mill by Messrs. Blake, Barclay and Co., of Greenock, made specially to suit the requirements of the country and the fancies of the sugar growers, was put up, and a fair trial was given to it. This trial, at which I was present, proved a great success, and the mill was at once taken over by a sugar-grower of the district, who had undertaken to buy it provided that it did the work promised. As had been stated, the foreign mill, requiring two oxen to drive it instead of three, as is the case with native mills, crushed the cane far more thoroughly, extracting 18 per cent. more juice. The Chinese present professed themselves much pleased with the result of the trial, and many declared that they would certainly buy the new mill for next season. I have not heard, however, that any orders have as yet been received by the importers of the mill. The sugar made from the juice extracted by this mill was pronounced by the Chinese themselves to be far better than they usually got. This was probably due to the closer crushing of the cane, and also to the superior cleanliness, the ordinary native method being filthy in the extreme.

White sugar fell from 54,000 cwts. to 29,000 cwts. There can, I think, be little doubt that the sugar from the Hong-Kong refinery is beginning to elbow the clayed sugar of Tainanfoo out of the northern markets.

There was a slight improvement in the export of camphor, which reached 2,524 cwts., as against 904 cwts. in 1890. The Government monopoly is said to be abolished, but the heavy tax imposed in order to defray the expenses of frontier defence prevents foreigners here competing successfully with the Government farm. The expenses of transport too are heavier than in the north of the island, and it does not seem probable that there will be any great development of the camphor trade here unless the tax is abolished or reduced. There has been very little trouble from savages in the centre of the island; indeed, I have only heard of one instance of the savages attacking camphor distillers during the last five years. In the north, apparently, they have not been so fortunate.

Sesamum seed, which at one time was largely exported in foreign bottoms, has of late years been sent away entirely in junks. In 1891, however, the returns show an export of some 5,000 cwts., the greater part of which will return to the island in the shape of cake of some description or other, to be smoked with opium.

The remaining exports were trifling, with the exception of turmeric, 24,943 cwts. Roughly speaking, sugar may be looked upon as the only article of export which affords employment to

Junks cutting
into export
trade.

foreign vessels at the present time. True, other produce is exported, but to so slight an extent as to be hardly worthy of mention; and even into this export, small as it is, the junks are steadily cutting. Junk freight is higher than steamer freight, but the absence of duties and the facilities which the likin office affords to shippers in native craft enable them to compete successfully both with sailing vessels and steamers.

General Remarks.

The year has been uneventful as far as South Formosa is concerned.

Robbers.

The country, though still over-run by armed robbers in some parts, has not been troubled by them to anything like the extent of the previous year. The roads have been fairly safe, and traffic has not been interfered with.

Savages and
border
Chinese.

The savages and border Chinese have, of course, indulged in the usual skirmishes, but there have been no serious outbreaks. It is a question whether the borderers or the aborigines have the better claim to the title "savages," the former having apparently adopted some of the less pleasant aboriginal customs. In a skirmish that took place recently on the borderland, about 25 miles east of Takow, the borderers were successful, and captured a chief belonging to the other party. Him they treated in true savage style, beheading him, and carrying the head from village to village with great rejoicings, and finishing up with a feast, at which the said head furnished the principal dish. There is very little to choose between the two parties; but it must be said in favour of the aborigines that they seldom make an unprovoked raid; their attacks are usually in response to some piece of treachery on the part of the Chinese.

Coal.

There is some talk of working the coal in the A-li-kang district, about 20 miles east of Takow. It has long been known that there is coal in the south of the island, and various attempts have from time to time been made to get up companies to work it, but all have failed. The present scheme seems more hopeful; a considerable sum of money has been already raised, and apparently the high provincial authorities are favourable. The first idea was to send the coal down the Tung-chiang River to Tung-chiang (Tang-kang), a small port about 13 miles south of Takow, and ship it thence by steamer; but Tung-chiang is not a safe port in the south-west monsoon, and it seems that if anything is actually done in the matter the coal will be brought to Takow. In former times there was water communication almost up to the coal districts, and these waterways could easily be reopened, and the coal brought down to a point on the shore of the Takow lagoon, whence a channel leading down to the port could easily be dredged. There is some talk, too, of dredging the harbour, but this has been talked about for over 20 years and has never gone further, so one is not very sanguine as to anything being done now.

Harbour
dredging.

Several slight shocks of earthquake were experienced during the year, but no damage was done. It seems strange that Formosa should be troubled so little comparatively by earthquakes, whilst Japan to the north, and Manila to the south, suffer so terribly.

Annex 1.—RETURN of all Shipping at Tainan in the Year 1891.

ENTERED.

Nationality.	Sailing.		Steam.		Total.		Total Value of Cargoes.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	58	40,148	4	1,519	62	41,665	£ 382,153 10
Chinese	1	703	...	...	1	703	5 0
German	8	5,441	11	4,113	19	9,554	6,258 5
Japanese	5	4,275	...	...	5	4,275	...
Total	72	50,565	15	5,632	87	56,197	388,414 15
„ for the year preceding ...	74	57,027	23	9,239	97	66,266	417,662 10

CLEARED.

Nationality.	Sailing.		Steam.		Total.		Total Value of Cargoes.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	58	40,148	4	1,519	62	41,665	£ 289,075 15
Chinese	1	703	...	...	1	703	...
German	8	5,441	10	3,666	18	9,107	92,200 0
Japanese	5	4,275	...	...	5	4,275	41,455 0
Total	72	50,565	14	5,185	86	55,750	422,730 15
„ for the year preceding ...	74	57,800	23	9,239	97	67,039	500,386 15

NOTE.—Exchange: 1 Haikwan tael = 5s.

**Annex 2.—RETURN of the Principal Articles of Import into
Tainan during the Years 1891-90.**

Articles.		1891.		1890.	
		Quantity.	Value. £ s.	Quantity.	Value. £ s.
Foreign goods—					
Opium—					
Benares	Cwts.	443.62	26,178 0	622.36	39,352 0
Persian	"	3,825.12	224,223 5	3,203.75	247,135 10
Cotton goods—					
Shirtings, grey plain	Pieces	19,179.00	8,137 0	23,198.00	9,583 0
" white	"	12,926.00	8,792 5	14,063.00	8,560 0
T-cloths, 32 inches	"	10,430.00	2,702 0	8,156.00	2,050 5
Miscellaneous cotton goods	"	...	3,077 0	...	5,761 5
Woollen goods—					
Camlets, English	Pieces	3,832.00	11,859 10	4,014.00	9,092 15
Lastings, plain	"	1,657.00	2,589 5	1,622.00	2,841 10
Spanish stripes	"	452.00	1,280 10	373.00	1,110 0
Alpacas	"	1,468.00	1,054 10	2,630.00	2,012 15
Italian cloth, plain and figured	"	1,886.00	1,511 15	1,706.00	1,321 0
Woollen thread	Cwts.	93.72	1,564 10	84.69	1,151 10
Miscellaneous woollen goods	"	...	3,620 5	...	4,143 15
Metals, miscellaneous	"	...	1,764 0	...	1,410 0
Sundries—					
Awabi	Cwts.	255.52	1,108 15	183.13	813 15
Cuttlefish... ..	"	607.48	2,139 0	695.62	2,419 5
Flour	"	3,820.44	2,421 5	5,119.21	3,234 5
Ginseng, American clarified	"	34.53	3,775 0	142.20	3,304 15
Milk, condensed, in tins	Dozens	2,950.00	1,220 10	1,528.00	690 15
Kerosene, American	Gallons	125,400.00	3,926 15	304,460.00	8,956 10
Prawns and shrimps, dried	Cwts.	487.71	2,293 15	310.44	1,220 0
Wine	"	...	1,416 15	...	1,090 0
Miscellaneous sundries... ..	"	...	20,938 5	...	15,364 15
Total foreign goods ... ..		...	337,593 15	...	373,510 5
Native produce—					
Bags, hemp	Pieces	167,160.00	1,592 0	251,700.00	2,115 5
" grass and straw	"	299,825.00	2,270 0	547,300.00	4,402 15
Cakestuff	Cwts.	501.78	3,100 10	458.33	1,879 15
Grasscloth, fine	"	131.77	2,608 15	91.29	1,643 5
Joan-sticks	"	765.52	1,342 15	589.76	1,104 15
Mats, straw	Pieces	168,528.00	793 0	299,261.00	1,845 15
Medicines... ..	"	...	6,409 0	...	5,970 5
Silk piece-goods	Cwts.	27.79	2,243 15	139.67	2,778 5
" goods, miscellaneous	"	...	1,691 5	...	1,033 10
Tobacco, prepared	Cwts.	1,018.68	3,915 5	748.63	2,230 0
Wood, poles	Pieces	3,064.00	1,872 5	5,920.00	2,271 0
Woollen and cotton mixtures... ..	"	8,049.00	1,905 0	4,020.00	965 10
Miscellaneous	"	...	21,077 10	...	15,207 5
Total native produce ... ..		...	50,821 0	...	44,152 5
Total foreign goods and native produce ... ..		...	388,414 15	...	417,662 10

NOTE.—Exchange: 1 Halkwan tael = 5s.

**Annex 3.—RETURN of the Principal Articles of Export from
Tainan during the Years 1891–90.**

Articles.	1891.		1890.	
	Quantity.	Value.	Quantity.	Value.
	Cwts.	£ s.	Cwts.	£ s.
Exports—				
Bamboo shoots.. ..	1,317.15	1,221 0	1,049.40	976 15
Camphor	2,524.45	6,852 5	903.80	1,968 15
Hemp	2,018.27	5,199 15	2,095.96	4,900 5
Pineapple	652.92	1,748 0	..	..
Lung-ngan pulp ..	4,067.19	6,829 0	9,370.24	15,276 0
Lung-ngans, dried ..	1,916.83	2,502 10	12,481.39	12,524 15
Sesamum seed	5,392.76	3,522 0	44.28	52 5
Sugar, brown	649,232.44	340,222 15	805,632.10	392,428 5
„ white	29,259.14	25,506 0	54,605.71	45,918 5
Turmeric	24,943.43	13,228 15	24,766.81	11,937 15
Miscellaneous .. ..	..	2,235 10	..	2,344 10
Total exports ..	..	408,565 10	..	488,327 10
Re-exports—				
Foreign goods .. ..	..	14,106 5	..	11,913 10
Native produce.. ..	..	59 0	..	145 15
Total re-exports ..	..	14,165 5	..	12,059 5
„ exports and re-exports ..	..	422,730 15	..	500,386 15

**Annex 4.—TABLE showing the Total Value of all Articles
Exported from Tainan and Imported into Tainan from and
to Foreign Countries and Chinese Ports during the Years
1891–90.**

Country.	Imports.		Exports.	
	1891.	1890.	1891.	1890.
	£ s.	£ s.	£ s.	£ s.
Hong-Kong	336,657 15	361,281 5	45,542 0	56,506 5
Japan	824 0	400 0	163,382 15	198,153 10
Total foreign countries	336,981 15	361,681 5	208,924 15	254,659 15
Chinese ports	51,433 0	55,981 5	218,808 0	245,727 0
Total foreign countries and Chinese ports	388,414 15	417,662 10	422,730 15	500,386 15

NOTE.—Exchange: 1 Haikwan tael = 5s.

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CHINA.

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ON THE
TRADE OF TAINAN.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 1061.

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1893.

[C. 6855—79.]

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1097.	Chungking	9d.	1155.	Taganrog	1d.
1098.	Nagasaki	1d.	1156.	Stockholm	1d.
1099.	Constantinople	2d.	1157.	Washington.. ..	2d.
1100.	Buenos Ayres	4d.	1158.	Paris.. ..	14d.
1101.	Shanghai	2d.	1159.	Bengazi	1d.
1102.	Jeddah	4d.	1160.	Santos	24d.
1103.	Chicago	8d.	1161.	Buenos Ayres	14d.
1104.	Erzeroum	4d.	1162.	Nantes	1d.
1105.	Loanda	8d.	1163.	Beira	5d.
1106.	Macao	4d.	1164.	Galveston	14d.
1107.	Canton	1d.	1165.	Berlin	1d.
1108.	Paramaribo	14d.	1166.	Bordeaux	24d.
1109.	Tunis	14d.	1167.	Calais	24d.
1110.	Sofia	8d.	1168.	The Hague	2d.
1111.	Brunei	14d.	1169.	Athens	12d.
1112.	Athens	24d.	1170.	Galatz	14d.
1113.	Alexandria	2d.	1171.	Guayaquil	1d.
1114.	Vienna	1d.	1172.	Riga	2d.
1115.	Stettin	24d.	1173.	Trebizond	1d.
1116.	Berne	1d.	1174.	Havre	24d.
1117.	Palermo	24d.	1175.	Saigon	4d.
1118.	Tokio	14d.	1176.	Baltimore	14d.
1119.	St. Petersburg	8d.	1177.	Brest	1d.
1120.	Teneriffe	1d.	1178.	Buenos Ayres	4d.
1121.	Damascus	1d.	1179.	Adrianople	4d.
1122.	Naples	2d.	1180.	Algiers	24d.
1123.	Hakodate	1d.	1181.	Boston	1d.
1124.	Montevideo	24d.	1182.	Marseilles	14d.
1125.	Stockholm	14d.	1183.	Warsaw	1d.
1126.	Dantzic	2d.	1184.	Piræus	14d.
1127.	The Hague	14d.	1185.	Callao	1d.
1128.	Odessa	1d.	1186.	Jerusalem	4d.
1129.	Berne	14d.	1187.	Chefoo	14d.
1130.	Malaga	8d.	1188.	Munich	2d.
1131.	Rome	24d.	1189.	Resht	1d.
1132.	St. Jago de Cuba ..	44d.	1190.	Batavia	14d.
1133.	Munich	14d.	1191.	Batoum	14d.

No. 1192.

Reference to previous Report, Annual Series No. 1061.

CHINA.

TAINAN.

Consul Warren to the Earl of Rosebery.

My Lord,

Tainan, February 28, 1893.

I HAVE the honour to hand to your Lordship my Report on the Trade of Tainan for the year 1892.

I have, &c.

(Signed) PELHAM WARREN.

Report on the Trade and Commerce of Tainan for the Year 1892.

ABSTRACT of Contents.

	PAGE
General sketch of trade—	
Tendency of trade to decrease	2
Likin, imposition of in 1886, effects of on revenue	2
Fostering of trade in former years	2
Taxation avoided	2
Tonnage dues on native craft	2
Increased prosperity consequent on fostering trade	2
Sugar crop the measure of prosperity	2
Likin and land-tax, disturbances in consequence	3
Export in native bottoms	3
Sterling values misleading	3
Rice, exported only in junks, export of much diminished, export of from ports on west coast	3
Foreign import trade, stationary for last 10 years	4
Opium, consumption of	4
Differential duties, import trade injured by	4
Trade returns do not show entire consumption of foreign goods	5
Total trade, decrease in	5
Shipping, how divided	5
Imports—	
Opium, decrease in import, reasons for	5
Cottons.. .. .	6
Woollens	6

(1517)

ABSTRACT of Contents—continued.

	PAGE
Imports—continued—	
Kerosene oil	6
Russian oil	6
Exports—	
Brown sugar, export small, trade remunerative, prospects for 1898 bad, sugar damage by typhoons	6
Camphor, improvement in trade in, high price paid for, camphor districts better in Mid-Formosa than in North Formosa, attempt to revive monopoly in certain districts	7
Miscellaneous remarks	8
Shipping returns.. .. .	9
Import	10
Export	11
Returns of total values of exports and imports	11

General sketch.	That foreign trade in South Formosa shows no signs of increasing there can, unfortunately, be no doubt; the tendency, on the contrary, is, if anything, the other way. Many reasons are assigned for this, but chief amongst them must undoubtedly be reckoned the imposition of likin and the increased levy of land-tax.
Tendency of trade to decrease.	
Imposition of likin in 1886.	When in 1886 the then governor of the island, Liu Ming-ch'uan, proposed to levy likin on exports with the view of supplementing the revenue, which he declared to be too small for the necessities of the island, it was pointed out to the Chinese officials that, at any rate, as regarded the south of the island, the result would be to prevent any extension of trade, and that the revenue would be rather diminished than increased. The experience of the past 6 years has proved the correctness of this view.
Effect of likin on revenue.	
Fostering of trade in former years.	It had always been held by the Chinese authorities that the trade of Formosa required fostering, and that every encouragement should be given to immigration from the mainland.
Taxation avoided.	With this object taxation was avoided as far as possible. The land-tax was assessed at very low rates, no duties were charged on goods imported or exported in native bottoms, and last, though not least, likin was unknown. The only duty levied was one of the nature of a tonnage due collected each voyage from the junks trading either to the treaty ports or non-treaty ports of the island.
Tonnage dues on native craft.	
Increased prosperity consequent on fostering of trade.	This state of things continued from the opening of the island to foreign trade until 1886, and the general prosperity and trade of the island advanced steadily as was hoped. There was a constant stream of immigration from the mainland, chiefly from the neighbourhood of Amoy, and the population rapidly increased.
Sugar crop, the measure of prosperity of South Formosa.	Sugar being the principal article of export from South Formosa the amount exported in any one year is usually taken as a fair indication of any improvement or falling-off in the trade generally. In 1880 the sugar export had increased steadily from 658,094 cwts. in 1870 to 1,288,095 cwts. During the next 4 years the export fluctuated somewhat, but was never below 840,000 cwts., while in 1884 it amounted to 1,070,238 cwts. In 1885 the island was blockaded by the French fleet and trade was consequently very much injured; but it was confidently hoped that the injury would be only temporary and that trade would revive after the with-

drawal of the blockading force, and there seemed no reason to doubt that the previous ratio of steadily increasing prosperity would be maintained.

Unfortunately, 1886 saw not only the imposition of likin on Likin and exports but also the re-assessment of the land tax. Land that had previously been untaxed, or very slightly taxed, was now put on the new register and taxed beyond what in very many instances it could bear. I know of one case in which the annual tax on a small plot was raised from 5 dol. to 50 dol., and doubtless other land was taxed in proportion. The people refused to pay this increased tax; force had to be employed, and for many months the whole country was in a state of disturbance Disturbances in consequence of increased land tax. amounting almost to rebellion. Many of the smaller farmers were ruined and gave up their land; others who resisted payment were treated as outlaws and had to take refuge amongst the civilised aborigines and the Hakkas. Immigration stopped, as South Formosa was no longer considered a desirable place in which to invest capital or labour, and trade declined steadily until in the Diminished year under review the entire sugar crop exported in foreign bottoms amounted only to 665,042 cwts. prosperity.

In consequence of the decrease in the rural population wages Decrease of rural population. have risen and the cost of production is much higher than formerly. Food, too, is dearer; in some districts it has almost doubled in price, whilst the ground under cultivation is not nearly so productive as formerly, repeated cropping without manuring having impoverished the soil, while the producers are not inclined to invest money in improving cultivation or in opening up fresh Rise in wages and cost of food. Deterioration of soil. ground.

The falling-off in the export in foreign bottoms is also to be attributed to some extent to an increase in the export by junks; Export in native bottoms. but from inquiries which I have made in various parts of the county I am convinced that although the export junk trade has increased during the last 6 years, and is still increasing, the increase up to the present time has not been so great as to account for any large proportion of the falling-off in the export in foreign vessels. In 1870, the year in which trade in South Formosa first began to show signs of activity, the value of the export trade was Trade first began to improve in 1870. 1,254,020 Haikwan taels, equal at the then rate of exchange, 6s. 8d. to the Haikwan tael, to 418,016l. The export trade of 1892 Sterling values misleading. though showing a total value of 1,583,132 Haikwan taels, is only equal in sterling to 356,204l. In this case sterling values are misleading, as the entire export was to Chinese ports and to Japan and was paid for in silver; there was no export trade to foreign countries in either year.

One branch of the export trade has been completely absorbed by the junks. I allude to rice. In the early days of the port Rice exported only in junks. large quantities of rice were exported in foreign bottoms; at the present moment the export is practically nil. The export was in former days chiefly from Takow and Tang K'ang, the port immediately south of the treaty port, and was divided between foreign and native bottoms.

(1517)

After a time it passed entirely into the hands of the junks, and, later on, even this trade dwindled away, and the principal export, of rice at the present moment, is from Wu-chi and Hon-lung, two ports on the western coast of North Formosa, which are said to be increasing in importance every day.

Foreign import trade. Stationary for last ten years. As regards foreign import trade the value appears to have been nearly stationary for the last 10 years. In 1870 the sterling value was 296,959*l*. During the next 10 years there was a steady improvement, and in 1881 the value of the trade was estimated at 670,004*l*. This improvement, however, was not kept up, and the value of the import trade of 1892, 326,443*l*, is about the average annual value of the trade for the last 10 years.

Opium. Opium is the principal article of import, and this branch of the trade, though showing some variableness, has, on the whole, improved slightly up to 1892, when the import was somewhat short of preceding years.

Increased consumption of opium. In view of the increasing poverty of the island mentioned above it seems strange that the import of opium should have increased of late years. This, however, is to be accounted for by the fact that opium is chiefly consumed in the urban districts; the country people smoke comparatively little, and although the rural population has decreased considerably in some parts of the country, the urban population, on the contrary, is steadily increasing. The habit of opium smoking, too, is becoming more prevalent among all classes in the towns and is even said to have become hereditary, children of a very tender age whose mothers have been opium smokers taking to it naturally. The almost universal prevalence of the habit is accounted for by the comparative cheapness of Persian drug, which is now used to the nearly complete exclusion of Indian, and which when mixed with either native opium or sesamum cake is well within the means of all but the very poorest.

Persian drug used to exclusion of Indian. The general import trade in foreign bottoms has suffered greatly at the hands of the junks, and as long as the system of differential duties continues unchecked there will be no improvement. To take one instance, kerosene oil is laid down at Takow by junk 5 c. a case cheaper than by steamer, and the importers by junks are consequently in a position to undersell the foreign importer, who obtains his oil direct from the mainland by steamer. No duty is charged on imports by junk, and in addition to this junks are able to take cargo direct to the small ports on the coast. Should foreign merchants wish to send cargo by native boats from the treaty ports to these small ports, the authorities insist on treating such cargo as export, and demand payment either of likin or transit duties. The case is much the same if the foreign merchant sells at the port; the Chinese purchaser being compelled to pay likin if he sends forward the cargo by boat, though if he sends it overland it is treated as an import, and is therefore free, no likin being leviable on imports. The cost of land carriage is so heavy, as compared by that by water, that nothing save opium is sent overland, and the Chinese merchants find it better to

Differential duties. Import trade injured by.

purchase goods in Hong-Kong, send them to Namoa, and export them thence in native craft to the small ports which supply the districts for which these goods are destined. Even in the treaty port the foreign merchant cannot compete with the native, much less in the outlying districts. The above reasons account, to a great extent, for the stagnant condition of general foreign import trade during the past 10 years. The returns of foreign trade by no means show even approximately the amount of foreign goods consumed in the country; it is doubtful whether they even show the amount consumed at the treaty ports and in their immediate vicinity.

Trade returns do not show entire consumption of foreign goods.

In my last report I pointed out the injury that was inflicted on foreign carrying trade by the system of differential duties, the obstacles placed in the way of foreign merchants, and the facilities afforded to native craft. The same state of things continuing, and the evil increasing steadily, the foreign merchant is completely handicapped.

Total Trade.

The total value of foreign trade in South Formosa during 1892 amounted to 671,209*l.*, as against 796,980*l.* in the preceding year, showing a falling-off of 125,771*l.*

Total trade.
Decrease.

Shipping.

The total tonnage employed was 119,545 tons, as against 111,947 tons in 1891.

The British share of the carrying trade amounted to 80,610 tons; the remainder was divided between Japanese, German, Chinese, and Norwegian, the Japanese share being the larger, viz 15,844 tons.

The number of sailing ships employed was again less than in the preceding year. Steamers now monopolise the entire foreign carrying trade with the one exception of that to Chefoo, in which sailing ships still take a slight share.

Imports.

The import of opium shows a decrease as compared with the two previous years, for which it is not difficult to account. In consequence of the failure of most of the crops in the island, notably of rice, sweet potatoes, and sugar, there is considerable distress amongst the poorer classes, and the consumption of opium by them has been somewhat curtailed. Again early in the year the price of Persian opium advanced to over 420 dol. per cwt. as against 252 dol. per cwt. for 1891. By November the price had risen to 432 dol. per cwt., after which it fell somewhat, and the stocks in hand being large there is little prospect of any speedy improvement of the market.

Opium.
Decrease in import.

Indian opium still continues to lose ground steadily. The import in 1892 was only 229 cwts., less by 214 cwts. than in 1891.

Indian opium.

There is no chance of any improvement; rather the reverse, in fact, the demand is less every day.

Cottons. Cotton goods of all kinds show a falling-off, but this probably merely means increased import in native bottoms. The difference between the import of 1891 and that of 1892 is, however, slight, amounting in value to 4,400*l*.

Woollens. The same may be said of woollen goods as of cotton, but the falling-off in this case amounts to 7,202*l*.

Kerosene oil. The import of kerosene oil shows a very large increase, and this notwithstanding the ever-increasing import in junks. In 1891 125,400 gallons of American oil were imported, whilst in 1892 302,040 gallons of American oil were imported, and, for the first time, Russian oil found a market here to the extent of 100,000 gallons. A slight preference is shown for American oil, though the price of the two oils are the same, the American tins being said to hold a little more. The stocks in hand at present are very large, and prices lower than has ever been known. Kerosene has completely driven ground-nut oil out of the field; the latter is now only used for culinary purposes, and only sufficient is produced for the needs of the island. The export both of ground-nut oil and cake has entirely ceased as far as foreign vessels are concerned.

Exports.

Brown sugar. The sugar crop of 1891-92, as compared with ordinary years, was poor. The total export of brown sugar was only 665,042 cwts., and although this shows a slight advance upon the export of 1891, it cannot be regarded as anything but most unsatisfactory, seeing that the export of 1891 was itself very much below the average.

The quantity of sugar sent to Japan from Takow was comparatively small. This is partly to be explained by the fact alluded to in previous reports that a considerable quantity of the sugar produced in the Takow districts is now forwarded to Anping and shipped thence to the northern ports of China. A higher price is paid for sugar destined for these ports, and in the country between Takow and Anping a better class of sugar is now produced to meet the requirements of the northern market. Japan takes all the so-called "Takow" sugar, and in 1892 the supply was unequal to the demand.

Export small. Although the export was small those engaged in the trade are said to have done well, both in Japan and in the northern market.
Trade remunerative. The export to Ningpo increased somewhat. This part of the trade was previously entirely in the hands of the junks, but is now passing to steamers.

Prospects for 1893 bad. The prospects of the 1892-93 crop are bad in the extreme. Great damage was done to the cane by the typhoon of July 21, and later on by that of October 10. At the latter date the cane was so far advanced that recovery from the damage done was impossible, and this added to want of rain, the season having been unusually dry, will make the outturn one of the smallest known for many years.

The trade in camphor shows a very satisfactory improvement and bids fair to become a very important factor in the trade of South Formosa. 5,441 cwts. of camphor were exported to Hong-Kong as compared with 2,524 cwts. in the preceding year. The Government monopoly for a long time rendered it impossible for foreigners to take any part in the trade. In 1889, 759 cwts. only were exported. In 1891 the export reached 2,524 cwts., but owing to the heavy so-called frontier defence tax, which was imposed at the time the Government monopoly was abolished, it did not seem likely that any great expansion of the trade would take place. The high prices ruling in Hong-Kong have, however, induced foreign merchants to take an interest in the trade, and there are now several foreign firms employing Chinese agents to purchase camphor in Mid-Formosa. The result is that the export for the year under review has risen to 5,441 cwts., and the trade seems to show every prospect of increasing. The price for camphor delivered in Hong-Kong ranged from 4*l.* 16*s.* to 7*l.* 10*s.* per picul of 133½ lbs., and at one time rose to 8*l.* 14*s.* At these rates very handsome profits were made, and merchants could afford to pay the heavy tax alluded to above. The central districts of Formosa are very thickly wooded, and there is no fear of the camphor supply becoming exhausted for many years—some hundreds, the Chinese declare; still it is a matter of much regret that the officials take no steps to enforce planting.

These districts are apparently more accessible to Chinese than those further north, for so far they have not suffered from savage raids, and the camphor distillers work in peace undisturbed by their neighbours on the other side of the frontier. From the north, on the contrary, we hear not unfrequently of distilleries broken up and distillers murdered.

Although the Government monopoly has been abandoned, there are not wanting signs of an attempt on the part of certain subordinate officials to create a monopoly in one of the richest of the central camphor districts. In Yün-lin, lying to the east of Chaughwa, there are one or two Chinese hong engaged in the camphor business. These hong give employment altogether to six camphor distilleries, the only ones at present in the place. Foreign merchants are anxious to start a business in Yün-lin, but are prevented by the action of the so-called Camphor Office, the official in charge asserting that under the Camphor Regulations of 1869 foreign merchants or their Chinese employés are allowed to purchase camphor up country, but that no provision is made for their employing natives to distil camphor; that, in consequence, unless they can purchase camphor from the distilleries already at work they cannot be permitted to engage in the business, as to hire labour for the distilling of camphor is contrary to the regulations since made by the Governor of the Island. The objection raised is of course frivolous in the extreme, but not the less likely on that account to interfere seriously with the interests of the foreign merchants engaged in the camphor trade here.

Camphor.
Improvement
in trade.

Camphor
districts in
Mid-Formosa.

Attempt to
revive the
monopoly in
certain
districts.

Miscellaneous Remarks.

Earthquakes. On April 22 was experienced one of the most severe shocks of earthquake known for more than 20 years. Great damage was done both to foreign and native buildings at Takow and Anping, so great in fact that the price of building material and of labour was more than doubled, and it was some months before the damage done could be repaired. This shock was followed by several slighter ones; 12 shocks in all were recorded during the months of April, May, and June.

Typhoons. A very severe typhoon visited the south of the Island on July 21, the centre passing between Takow and Anping. The typhoon caused even more destruction than the earthquake, and the loss of life amongst the Chinese was very great. Entire villages were swept away, junks were driven out to sea and lost with all hands, and crops of all descriptions were in many places completely washed away. In one town alone, Tángkang, about 12 miles south of Takow over 100 people were drowned, and more than 200 houses were destroyed. The distress amongst the people has been very great in consequence, and matters were made worse by a second typhoon which occurred on August 16. While the ravages caused by the first were confined to the south part of the Island, the August typhoon spared the south but caused great destruction in Mid-Formosa and on the west coast. At Loh-kang and Wuchi seven large junks were wrecked and 70 lives lost, while the crops were all more or less damaged.

The Bokhara typhoon of October 10 was not felt so severely here; the wind blew from north-east, shifting only a few points—indeed, but for the low glass it would have been put down as merely a strong north-east gale.

Disturbances amongst aborigines. Early in August the aborigines in the south made serious incursion into the Hengchun district. Troops were sent down from Tainanfoo and remained encamped in and about the districts for some months. Nothing, however, was effected, as at brisk fighting the aborigines have it all their own way, and towards the end of the year the Chinese force returned having lost many men, some from disease and others having fallen into ambushes and been murdered by the savages.

Japanese sailors wrecked; well treated by aborigines. Towards the end of December, certain Japanese were wrecked near the South Cape. The aborigines into whose hands they fell, took them to the lighthouse and handed them to the light-keeper, who communicated with the I.M. customs at Takow. A steam launch was sent down to bring them up and they were shipped off to the mainland. The manner in which these men were treated by the aborigines is in strong contrast to what took place in 1873, when in a similar case all the shipwrecked Lewchew Islanders who fell into the hands of the aborigines were murdered.

Annex 1.—RETURN of all Shipping at the Port of Tainan for the Year 1892.

ENTERED.

Nationality.	Sailing.		Steam.		Total.		Total Value of Cargoes.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	64	33,825	5	1,980	69	40,805	£ 315,371 18 6
Chinese	5	3,371	...	...	5	3,371	2,425 5 6
German	4	3,592	5	1,880	9	5,472	6,811 4 0
Swedish and Norwegian ...	3	1,979	...	...	3	1,979	188 11 0
Japanese	8	7,922	...	...	8	7,922	1,646 15 6
Total	84	55,689	10	3,860	94	59,549	328,443 14 6
„ for the year preceding ...	72	50,565	15	5,682	87	56,197	388,414 15 0

CLEARED.

Nationality.	Sailing.		Steam.		Total.		Total Value of Cargoes.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	64	33,825	5	1,980	69	40,805	£ 200,748 16 6
Chinese	5	3,371	...	...	5	3,371	9,072 18 0
German	4	3,592	6	2,327	10	5,919	63,182 5 0
Swedish and Norwegian ...	3	1,979	...	...	3	1,979	13,076 11 0
Japanese	8	7,922	...	...	8	7,922	70,124 3 6
Total	84	55,689	11	4,307	95	59,996	356,204 14 0
„ for the year preceding ...	72	50,565	14	5,185	86	55,750	422,730 15 0

Exchange: 1 Haikwan tael = 5s. in 1891, 4s. 6d. in 1892.

Annex 2.—RETURN of Principal Articles of Import into Tainan during the Years 1892-91.

Articles.		1892.		1891.	
		Quantity.	Value.	Quantity.	Value.
			£ s. d.		£ s.
Foreign goods—					
Opium—					
Patna	Cwts. ...	2·81	185 8 0	...	...
Benares	" ...	226·60	13,445 2 0	443·62	26,178 0
Persian	" ...	3,596·36	190,917 4 6	3,825·12	224,223 5
Cotton goods—					
Shirtings, grey, plain	Pieces ...	18,144	6,701 17 0	19,179	8,137 0
" white, plain	" ...	10,183	5,814 18 0	12,926	8,792 5
T-cloths, 32 inches	" ...	5,843	1,111 10 0	10,430	2,702 0
Miscellaneous cotton goods	" ...	...	4,680 4 6	...	3,077 0
Woollen goods—					
Camlets, English	Pieces ...	3,635	7,125 10 6	3,832	11,859 10
Lastings, plain	" ...	1,648	2,576 5 0	1,657	2,589 5
Spanish stripes	" ...	401	1,081 11 6	452	1,280 10
Alpacas	" ...	2,267	1,650 12 0	1,468	1,054 10
Italian cloth, plain and figured	" ...	1,309	973 18 0	1,836	1,511 15
Woollen thread	Cwts. ...	93·47	1,434 7 6	93·72	1,564 10
Miscellaneous woollen goods	" ...	...	3,199 14 6	...	3,620 5
Metals, miscellaneous	" ...	...	1,718 2 0	...	1,764 0
Sundries—					
Awabi	Cwts. ...	193·73	786 16 6	255·52	1,108 15
Cuttlefish	" ...	607·84	1,899 4 6	607·48	2,139 0
Flour	" ...	5,346·96	3,241 11 6	3,820·44	2,421 5
Ginseng, American	" ...	30·25	3,555 4 6	37·77	3,850 5
Kerosene, American	Gallons ...	302,040	8,071 17 6	125,400	3,928 15
" Russian	" ...	100,000	2,700 0 0	20,000	524 10
Milk, condensed, in tins	Dozens ...	1,799	701 2 0	2,950	1,220 10
Prawns and shrimps, dried	Cwts. ...	611·52	1,879 13 0	497·71	2,293 15
Wine	" ...	...	925 4 0	...	1,416 15
Miscellaneous sundries	" ...	...	16,931 5 0	...	20,238 10
Total			283,309 1 6		337,598 15
Native produce—					
Bags, hemp	Pieces ...	153,700	1,324 16 0	167,180	1,592 0
" grass and straw	" ...	489,950	2,720 0 6	299,825	2,270 0
Cake-stuff	Cwts. ...	458·93	1,714 14 6	501·78	3,100 10
Grass-cloth, fine	" ...	97·98	1,643 12 6	131·77	2,608 15
Jadestone ware	" ...	...	1,019 0 6	...	800 10
Joss-sticks	Cwts. ...	626·96	1,061 11 0	765·52	1,342 15
Medicines	" ...	...	4,975 4 0	...	6,409 0
Silk piece-goods	Cwts. ...	33·45	3,110 12 6	27·79	2,243 15
Tobacco, prepared	" ...	831·90	2,733 10 6	1,018·68	3,915 5
Wood poles	Pieces ...	5,573	2,110 19 0	3,064	1,872 5
Woollen and cotton mixtures	" ...	8,820	1,658 10 0	8,049	1,905 0
Miscellaneous	" ...	...	18,865 2 0	...	22,761 5
Total			43,135 13 0		50,821 0
Grand total			326,443 14 6		388,414 15

Exchange: 1 Haikwan tael = 6s. in 1891, 4s. 6d. in 1892.

**Annex 3.—RETURN of the Principal Articles of Export from
Tainan during the Years 1892–91.**

Articles.			1892.		1891.	
			Quantity.	Value.	Quantity.	Value.
Exports—				£ s. d.		£
Bamboo shoots ...	Cwts.	...	1,385·22	809 6 6	1,317·15	1,221 0
Camphor ...	"	...	5,441·32	16,271 15 6	2,524·45	6,352 5
Hemp ...	"	...	1,865·75	4,699 2 6	2,018·27	5,199 15
" pine-apple ...	"	...	447·78	1,347 6 0	652·92	1,748 0
Lung-ngan pulp ...	"	...	8,082·90	9,225 9 0	4,067·19	6,829 0
Lung-ngan, dried ...	"	...	7,256·66	3,395 19 0	1,916·83	2,502 10
Sugar, brown ...	"	...	665,042·43	257,675 8 0	649,232·44	340,222 15
" white ...	"	...	50,565·24	36,323 15 6	28,259·14	25,506 0
Turmeric ...	"	...	24,190·79	9,465 17 0	24,943·43	13,226 15
Miscellaneous ...	"	...	...	3,561 10 6	...	5,757 10
Total ...		...	...	344,765 9 6	...	408,565 10
Re-exports—						
Foreign goods...		...	...	11,304 0 0	...	14,106 5
Native produce ...		...	...	135 4 6	...	59 0
Total ...		...	...	11,439 4 6	...	14,165 5
Grand total ...		...	...	356,204 14 0	...	422,730 15

Exchange: 1 Haikwan tael = 5s. in 1891, 4s. 6d. in 1892.

**Annex 4.—RETURN showing the Total Value of all Articles
Exported from and Imported into Tainan to and from
Foreign Countries and Chinese Ports during the Years
1892–91.**

Country.	Imports.		Exports.	
	1892.	1891.	1892.	1891.
	£ s. d.	£ s.	£ s. d.	£ s.
Great Britain ...	...	...	...	...
Hong-Kong ...	276,669 6 6	336,657 15	60,294 7 6	45,542 0
United States ...	1,765 0 0	...	...	...
Japan ...	443 14 0	324 0	116,692 13 0	163,382 15
Total foreign countries ...	278,867 0 6	336,981 15	176,987 0 6	208,924 15
Chinese ports ...	47,576 14 0	51,433 0	179,217 13 6	213,806 0
Total foreign countries and Chinese ports ...	326,443 14 6	388,414 15	356,204 14 0	422,730 15

Exchange: 1 Haikwan tael = 5s. in 1891, 4s. 6d. in 1892.

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No. 1401.
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AND FINANCE.

CHINA.

REPORT FOR THE YEAR 1893
ON THE
TRADE OF TAINAN.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 1192.

Presented to both Houses of Parliament by Command of Her Majesty,
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1308. Oporto	1½d.	1368. Angora	1d.
1309. Naples	½d.	1369. Antwerp	2d.
1310. Salonica	2½d.	1370. Genoa	3½d.
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1326. Florence	1d.	1386. Caracas	1½d.
1327. Hakodate	1d.	1387. Vienna	1½d.
1328. Paris	2d.	1388. Madeira	½d.
1329. Paramaribo.. ..	1½d.	1389. Panama	1½d.
1330. St. Petersburg	2½d.	1390. New Orleans	2½d.
1331. Patras	1½d.	1391. Manila	2d.
1332. Calais	2½d.	1392. Foochow	1d.
1333. Loanda	1d.	1393. Ningpo	1d.
1334. Bordeaux	2½d.	1394. Chinkiang	1d.
1335. Taganrog	1d.	1395. Tamsui	1d.
1336. Galveston	8½d.	1396. Chungking	1½d.
1337. Riga.. ..	2d.	1397. Philadelphia	3½d.
1338. Batavia	1½d.	1398. Bilbao	2½d.
1339. Boston	1½d.	1399. Dunkirk	1d.
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CHINA.

TAINAN.

Consul Hurst to the Earl of Kimberley.

My Lord, *Tainan, March 26, 1894.*
I HAVE the honour to forward herewith my Report on the
Trade of Tainan for the year 1893.
I have, &c.
(Signed) R. W. HURST.

Report on the Trade and Commerce of Tainan for the Year 1893.

ABSTRACT of Contents.

	PAGE
Total trade	2
Imports—	
Opium	2
Cotton and woollen goods	3
Kerosene oil	3
Lamps	3
Exports—	
Sugar	4
Camphor	5
Turmeric	5
Rice	5
General remarks.. .. .	5

Total Trade.

The total trade of the port in foreign vessels amounts to 659,161*l.*, as against 682,647*l.* in 1892; but in the returns for 1893, the value of the opium imported was taken at the net import value plus the customs duty of 18*l.* 3*s.* per cwt., whilst the duty was omitted from the calculation in preceding years. This swells the returns of imports by 57,778*l.* Deducting this amount to render the comparison a fair one, the net value of the trade is thus (1771)

Diminution in
total trade.

601,383*l.*, showing a falling-off as compared with the preceding year of 81,264*l.* in the sterling value of the trade, or nearly 12 per cent. This is entirely due to a depreciation in silver of rather more than a similar percentage, the Haikwan tael, which was reckoned at 4*s.* 6*d.* in last year's trade returns, being in the year 1893 valued at 3*s.* 11*d.*

Imports.

Opium.

The chief foreign import is opium, valued at 236,522*l.* out of 344,480*l.*, the total value of the imports. Persian opium is almost in possession of the market, Patna having no longer a place in the returns, and Benares showing a diminution.

Advance in price of Persian opium.

The price of Benares has remained fairly steady, but there has been a steady advance in that of Persian exhibited throughout the year. Starting in January at 382 dol. per cwt. for new opium, and 361 dol. for old, it rose last December to 537 dol. per cwt. for old, and 525 dol. for new. This advance is due to the following causes, viz., to the fall in exchange caused by the depreciation of silver, to a short crop in Persia which was said to be from 30 per cent. to 40 per cent. less than average, the holding back of supplies of Persian in Bombay, the reduction in the quantity of the Bengal drug auctioned monthly by the Indian Government, and lastly to the partial failure of the crop in Northern China. The general "unhealthiness" of the China trade and the tightness of money have prevented, to some extent, even a further upward movement.

Causes.

The increase in price has led to a marked increase in the use of opium pills imported from Hong-Kong and Amoy, and made here.

Native opium is imported at Tamsui from Wênchow and Tai-chow; none is imported here. About a year ago small shipments came over by junk from the Tungan district near Amoy, but were not found profitable, as the price was too high to admit of its competing with Persian drug here, unless "smuggled," which is done, to a small extent, by the supercargoes and crews of native junks.

Qualities of Chinese opium.

The native Tungan opium is a strong drug like Benares, but is a much inferior preparation. The ash, on being burnt, is of a very black colour; moreover, it does not stand repeated smoking like Persian.

Benares.

Old smokers prefer Benares, and it is used along with Persian to increase the strength and improve the flavour.

Comparison of "touch."

The proportion of pure opium "touch" in the "cakes of commerce" shows as follows:—

Benares, 50 per cent. to 55 per cent. (some say 53 per cent. to 56 per cent.), the drug being smoked once, and then, after the addition of fresh drug on each occasion, twice at most more.

Persian, 80 per cent. to 85 per cent., the drug being smoked two to three times, and then, after the addition of fresh drug on each occasion, three to five times.

Native, 60 per cent. to 65 per cent. (some say 65 per cent. to

70 per cent.), the drug being smoked once or twice (not often twice), and then, after the addition of fresh drug in each case, twice more; after the second or third smoke it is sold for consumption by the poorer classes.

Consumption of opium has, during the year, been generally more restricted consequent upon the high prices ruling.

Sesamum seed cake is now quite out of use for opium adulteration, being supplanted by "Tientsin" cake, a repulsive preparation of boiled-down skins and all kinds of refuse of a "gelatinous" nature, to which in boiling has been added opium, pod, stalk, husk, &c.—in fact, anything that would impart to it the taste or smell of opium. Opium adulteration.

It is used for the adulteration of opium in increasing proportions; last year two or three parts of the cake to seven or eight of opium; this year three or four parts of the cake to six or seven parts of opium. The price in 1892 averaged from 17 dol. per cwt. to 25 dol. per cwt., this year 34 dol. per cwt. to 42 dol. per cwt. It is imported under the name of "medicinal cake" mostly by foreign vessels, but to some and to an increasing extent also by junk. The poorer classes buy a mixture of nearly equal parts of opium and "Tientsin cake."

The cake is sold by the dealers with each chest of opium sold; the adulteration being done by the wholesale dealers in prepared opium, and again by the retail dealers.

The amount of these imported is inconsiderable. Cotton goods Cotton and to the value of 14,617*l.* were imported in 1893, as against 18,308*l.* woollen goods. in 1892; and woollen goods to the value of 14,372*l.*, as against 18,042*l.* last year. This falling-off is partly due to the increasing poverty of the people, but chiefly to an advance in price due to the fall in exchange. English goods are being supplanted by those of Japanese Japan, whose cheap bright-coloured printed cottons and cotton and goods fancied. woollen crapes find increasing favour, and by the Northern Chinese cotton goods, which wear well: these are chiefly imported by junk.

The consumption of kerosene is likely to steadily increase; Kerosene oil. the returns show a decrease, but this is probably owing to the large stocks in hand at the end of 1892.

American oil is preferred to Russian, as the latter smokes and American does not burn so well; the difference in price is 4*d.* or 5*d.* per case preferred. in favour of Russian. The latter shows continued improvement in quality.

Native oil is less used as a lamp oil consequent on the intro- Native oil. duction of kerosene; but its consumption among the poor as a culinary oil has increased. The crop of peanuts both in Formosa and the Pescadores was, in 1893, much smaller than usual; in the latter place the crop was nearly all destroyed by typhoon weather, and large imports came by junk from Ning-po and Foochow.

The import of lamps is steadily increasing: the kinds in Lamps. demand being mostly common Canton makes and the inferior grades of German makes.

(1771)

*Exports.***Leading exports.**

The leading articles of export are sugar, camphor, and turmeric, sugar being responsible for an export valued at 249,218*l.* out of a grand total of 314,681*l.*

Sugar.

The sugar crop for 1894 promises to be larger than in the past 2 or 3 years, owing, in some measure, to the increased area under cultivation due to the good prices obtained in the season 1892-93; but chiefly to the comparative immunity from damage to the crops by typhoons, rains, and consequent floods. Still, canes, though fine in appearance, and large, long, and thick, are not so full of "saccharine" as was expected, and previous estimates of 380,000 cwts. to 400,000 cwts. in the Takow district are reduced since manufacture commenced to 310,000 cwts. or 330,000 cwts. The "Takow" brown sugar holds its own fairly well in Japan, but the competition with Manila sugars imported into Japan, via Hong-Kong, where it is mixed with Straits or Java sugars, or sent unmixed, is very keen.

Tainan-fu now supplies practically only two qualities, "Shang-tou" and "chung-tou" for Northern China markets. "Kapan," or ordinary brown, has not been manufactured as formerly since enquiry for Australia, America, and Europe ceased.

Prices.

On the whole, consequent upon damage to Amoy, Swatow, and Canton sugars, prices paid have been high both for Takow and Tainan-fu sugars; but, on first and second contracts, sellers to shippers lost heavily; nearly 1 dol. per cwt. in some cases was paid to cancel contracts, due to the advance in the North resulting from short arrivals from Southern China.

Likin tax.

The likin tax of about 2*d.* per cwt. is collected by a system of passes issued in Tainan-fu to applicants bringing down sugar. In Takow shippers (Chinese) and contractors receive a retaining fee and the tax is collected on their declarations checked by the customs returns to the Taotai. It is an onerous tax and to some extent prevents the development of trade. Junks evade the tax by paying a lump sum for a declaration of capacity, generally half the true capacity, or by loading at places where there are no likin stations.

Introduction of iron cane-crushing mills of European make.

Referring to the efforts made to introduce iron cane-crushing mills into this island, I may state that it seems probable that these efforts have met with permanent success. A mill has been procured and erected for a military official, the possessor of somewhat large sugar plantations some 8 miles from Tainan-fu, which has given such excellent results as to convince the most sceptical of the substantial advantages to be derived from its substitution for the crude native stone rollers. It must not be inferred from this that there will be an immediate and simultaneous demand all over the island for foreign cane-crushing mills. Chinese are far too slow-moving and cautious for that; but it is none the less a matter for congratulation that one mill has actually and by popular assent ousted the native rival set up as a stand-by in case of the failure, which the public voice had previously declared

must inevitably overtake the foreign intruder, and that the latter is now working to the satisfaction and astonishment of the people from far and near.

Business in camphor is steadily increasing, 7,530 cwts. of the Camphor value of 25,523*l.* having been exported in 1893, as against trade. 5,441 cwts., valued at 16,272*l.*, in the previous year; and this notwithstanding a vexatious interference on the part of the camphor authorities in the interior of the island with the business of a leading British firm, which required much perseverance and determination on the part of my predecessors to overcome. So far supplies of the drug have not exceeded the demand for London, Hamburg, India, Straits Settlements, Java, &c. Prices have fluctuated greatly. Early in January the price was as high as 47 dol. per cwt., in April 33 dol., advancing in July to 41 dol., and declining again to 36 dol. 50 c. at the end of the year.

Japan camphor, a better prepared and cleaner article, commands Japan camphor. a higher price, but manufacture is under Government restrictions; in January 52 dol. per cwt., in April 36 dol., and at the end of the year 40 dol.: the supply has been small and irregular. The above prices refer to the Hong-Kong market. Contracts in the country are running out, and 5 dol. advance is asked for renewals.

During the year new districts for working camphor have been New districts. opened up, viz., Yunlin in the beginning of the year and Kagee at the end.

An examination of the trees to the south of the island proved unsatisfactory, and operations there were discontinued. Districts to the immediate east of Tainan-fu, but far inland, are being tried, but the absence of roads is a bar to operations.

Turmeric has, within the last 2 years, been shipped away by Turmeric. foreigners, consequent upon a partial failure of Indian crops, and shipments have been made to Hong-Kong for India and European markets. Owing to this enquiry prices last year went up rapidly, and were particularly profitable to contractors and growers. The stock was exhausted without meeting the demand.

The rice crops for the year were fully up to average, better at Rice. Tainan-fu than Takow. There has been a large export from the south by junk to Namoa and Swatow. This has reduced the supplies available for local consumption, and consequently prices have advanced largely. The export is prohibited by the authorities, but none the less it goes on.

General Remarks.

Trade in Formosa is heavily handicapped by likin and other Heavy charges such as the fang fei (protection) tax on camphor, fixed taxation originally at 15 dol. per cwt., but now a proportionate part of the camphor produced is taken by the Government in lieu of a money payment; this tax is levied ostensibly to defend the camphor workers from the attacks of the aborigines, between whom and the Chinese there is a constant feud. hinders trade development.

A great impediment in the way of the agricultural prosperity Land tax.

of the island is the land tax, which is a heavy one and all the heavier from the fact that it is collected from the Government survey of property, while formerly it was based upon the declarations of the proprietor of the ground under cultivation, with an abatement for land of indifferent description. The tax has been and is the cause of the poorer land being put out of cultivation, and of a decrease of population in the interior, villages and hamlets showing as much as from 20 per cent. to 30 per cent. reduction in population.

I am indebted to Mr. Spinney, Commissioner of Customs, for inspection of the returns from which the tables accompanying this report are compiled, and to Mr. Moncrieff Wright and Dr. Wykeham Myers for the greater part of the information contained therein; as my own experience of the port, extending only to a few weeks, was necessarily very limited.

Table 1.—RETURN of all Shipping at the Port of Tainan during the Year 1893.

ENTERED.

Nationality.	Sailing.		Steam.		Total.		Total Value of Cargoes.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	7	2,124	58	38,322	65	41,446	£ 319,612
Chinese ... ..	...	...	1	703	1	703	36
German	6	2,564	7	4,687	13	7,251	11,806
Swedish and Norwegian	1	193	1	484	2	677	127
Japanese ... ..	...	...	3	2,609	3	2,609	13,099
Total	14	5,881	70	47,806	84	53,686	344,480
„ for the year preceding ...	10	3,860	84	55,689	94	59,549	326,443

CLEARED.

Nationality.	Sailing.		Steam.		Total.		Total Value of Cargoes.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	5	2,268	58	38,322	63	40,590	£ 214,179
Chinese ... ..	...	...	1	703	1	703	...
German	6	2,564	6	4,300	12	6,864	£ 8,046
Swedish and Norwegian	1	193	1	484	2	677	7,722
Japanese ... ..	...	...	3	2,609	3	2,609	34,724
Total	12	5,025	69	47,418	81	52,443	314,681
„ for the year preceding ...	11	4,307	84	55,689	95	59,996	356,204

Table 2.—RETURN of Principal Articles of Import into Tainan during the Years 1893-92.

Articles.		1893.		1892.	
		Quantity.	Value.	Quantity.	Value.
			£		£
Foreign goods—					
Opium—					
Patna	Cwts. ...	...	...	2,81	185
Benares	" ...	160	12,784	226	13,445
Persian	" ...	3,038	223,738	3,596	190,917
Cotton goods—					
Shirtings—					
Grey, plain	Pieces ...	16,627	5,641	18,144	6,702
White, plain	" ...	7,756	4,511	10,188	5,815
T cloths, 32 inches	" ...	7,013	1,305	5,843	1,111
Miscellaneous cotton goods ... ..	" ...	...	3,160	...	4,680
Woolen goods—					
Camlets, English	Pieces ...	3,073	5,324	3,335	7,128
Lastings, plain	" ...	1,507	2,181	1,648	2,576
Spanish stripes	" ...	399	822	401	1,063
Alpacas	" ...	1,542	1,196	2,287	1,651
Italian cloth	" ...	1,263	1,056	1,309	974
Miscellaneous woollen goods ... ..	" ...	...	3,794	...	4,633
Metals, miscellaneous ... ..	" ...	...	1,248	...	1,718
Kerosene—					
American	Gallons ...	189,020	4,464	302,040	8,072
Russian ... ..	" ...	...	...	100,000	2,700
Sundries ... ..	" ...	...	48,068	...	29,920
Native produce—					
Bugs, hemp	Pieces ...	236,907	1,864	153,700	1,325
Cake stuff	Cwts. ...	915	3,947	458-93	1,715
Grass-cloth, fine	" ...	34	562	97-98	1,644
Jadestone ware	Pieces ...	4,705	77	...	1,019
Joss-sticks	Cwts. ...	838	1,265	626-96	1,063
Medicines	" ...	366	486	...	4,975
Silk piece-goods ... ..	" ...	...	61	33-45	3,111
Tobacco, prepared	Cwts. ...	1,657	4,569	831-90	2,734
Wood poles	Pieces ...	6,820	2,817	5,573	2,111
Woolen and cotton mixtures	" ...	6,260	1,248	8,820	1,858
Miscellaneous ... ..	" ...	...	6,303	...	21,682
Grand total ... ..	...	...	344,480	...	328,443

Exchange: 1 Halkwan tael = 4s. 6d. in 1892, 3s. 11d. in 1893.

Table 3.—RETURN of Principal Articles of Export from Tainan during the Years 1893–92.

Articles.	1893.		1892.	
	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£
Bamboo shoots.. ..	3,311	2,162	1,335	809
Camphor	7,530	25,523	5,441	16,272
Hemp	2,622	4,045	2,312	6,046
Lung-an pulp	4,435	3,345	8,032	9,225
Lung-an, dried	5,428	1,833	7,256	5,396
Sugar, brown	572,058	223,342	665,042	257,675
„ white	34,988	25,906	50,565	36,324
Turmeric	35,436	13,732	24,190	9,456
Miscellaneous .. ..	..	7,933	..	3,562
Total .. ..	..	307,821	..	344,765
Re-exports—				
Foreign goods .. ..	..	6,657	..	11,304
Native „ .. ..	..	203	..	185
Total of re-exports ..	..	6,860	..	11,489
Grand total .. ..	..	314,681	..	356,204

Exchange: 1 Haikwan tael = 4s. 6d. in 1892, 3s. 11d. in 1893.

Table 4.—RETURN showing the Total Value of all Articles Exported from and Imported into Tainan to and from Foreign Countries and Chinese Ports during the Years 1893–92.

Country.	Imports.		Exports.	
	1893.	1892.	1893.	1892.
	£	£	£	£
Hong-Kong	292,842	276,668	49,380	64,294
Japan .. ..	..	444	81,636	116,998
United States America	..	1,755	..	..
Total foreign countries	292,842	278,867	131,016	176,987
Chinese ports	51,638	47,576	183,665	179,217
Grand total	344,480	326,443	314,681	356,204

Exchange: 1 Haikwan tael = 4s. 6d. in 1892, 3s. 11d. in 1893.

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No.	Price.	No.	Price.
1433. Brindisi	2½d.	1494. Serajevo	1d.
1434. Gothenburg	2d.	1495. Buenos Ayres	9d.
1435. Kiungchow	1d.	1496. Florence	2d.
1436. St. Petersburg	½d.	1497. Lisbon	1½d.
1437. Malaga	1d.	1498. Paris	2d.
1438. Chicago	2½d.	1499. Bolivia	1½d.
1439. Odessa	2d.	1500. Patras	1½d.
1440. Tabreez	½d.	1501. Bordeaux	8d.
1441. Tahiti	½d.	1502. Madrid	2d.
1442. Shanghai	2d.	1503. Amsterdam	1d.
1443. Nagasaki	1d.	1504. Suakin	1d.
1444. Madrid	2½d.	1505. Angora	1d.
1445. Malaga	2½d.	1506. Havre	2½d.
1446. Rotterdam	1d.	1507. Algiers	1½d.
1447. Port Said	1d.	1508. La Rochelle	8d.
1448. Sofia	2½d.	1509. Vera Cruz	2d.
1449. Warsaw	1½d.	1510. Puerto Cortes	1d.
1450. Africa (Congo)	2d.	1511. Taganrog	1d.
1451. Jeddah	1½d.	1512. Baltimore	1½d.
1452. San Francisco	5½d.	1513. Mexico	1½d.
1453. Oporto	2d.	1514. Zaila	1d.
1454. Barcelona	2d.	1515. Zomba	3½d.
1455. New Caledonia	½d.	1516. Valparaiso	2½d.
1456. Smyrna	1d.	1517. Charleston	2½d.
1457. Macao	1d.	1518. Serajevo	1d.
1458. Samoa	1d.	1519. Saigon	1d.
1459. Hiogo and Osaka	3d.	1520. Bangkok	2d.
1460. Lisbon	2d.	1521. Tripoli	1d.
1461. Peking	2d.	1522. Batavia	1½d.
1462. Corunna	2d.	1523. Dakar	½d.
1463. Mozambique	15d.	1524. Havana	2d.
1464. Munich	1½d.	1525. Riga	2d.
1465. St. Petersburg	3d.	1526. Trebizond	1½d.
1466. Naples	1d.	1527. Piræus	2½d.
1467. Montevideo	2½d.	1528. Guayaquil	1½d.
1468. Aden	1d.	1529. Marseilles	1½d.
1469. Tokio	1½d.	1530. Wuhu	1½d.
1470. Dantzic	5d.	1531. Rio de Janeiro	2½d.
1471. Guayaquil	1d.	1532. Trieste	2d.
1472. Canton	1½d.	1533. Brest	1½d.
1473. Dar-al-Baida	3d.	1534. Stockholm	2d.
1474. Teheran	2d.	1535. Warsaw	1d.
1475. Bushire	2d.	1536. Boston	1½d.
1476. Tangier	2d.	1537. Mozambique	2½d.
1477. Rome	2d.	1538. Callao	1d.
1478. Hamburg	4d.	1539. Aleppo	1½d.
1479. The Hague	1½d.	1540. Jaffa	½d.
1480. Belgrade	2d.	1541. Boston	1d.
1481. Batoum	1½d.	1542. New Orleans	1½d.
1482. Teneriffe	½d.	1543. Chicago	3d.
1483. Lisbon	2½d.	1544. Palermo	2½d.
1484. Buda-Pesth	½d.	1545. Bengazi	1½d.
1485. Rome	5½d.	1546. Caghari	1d.
1486. Para	1d.	1547. Pernambuco	7½d.
1487. Odessa	1d.	1548. Madrid	1½d.
1488. Hakodate	1d.	1549. Corunna	5d.
1489. Beira	1½d.	1550. Leghorn	2d.
1490. Berne	1½d.	1551. New Orleans	2½d.
1491. Copenhagen	1d.	1552. Syra	1½d.
1492. Stettin	2½d.	1553. Genoa	9d.
1493. Rio Grande do Sul	1½d.	1554. Berlin	2½d.

No. 1555.

Reference to previous Report, Annual Series No. 1401.

CHINA.

TAINAN.

Consul Hurst to the Earl of Kimberley.

My Lord, *Tainan, March 12, 1895.*
 I HAVE the honour to forward herewith my Report on the
 Trade of Tainan for the year 1894.
I have, &c.
 (Signed) R. W. HURST.

Report on the Trade and Commerce of Tainan for the Year 1894.

ABSTRACT of Contents.

	PAGE
Total trade, slight increase of	2
Imports—	
Opium—	
High prices ruling for Persian	2
Steady decline in import of Indian	2
Increased consumption of native	2
Renewed attention to locally-grown drug	3
Cotton and woollen goods	3
Italian cloth, increased demand for	4
Kerosene, striking increase in	4
Exports—	
Sugar, crop above average	4
Camphor trade—	
Satisfactory advance in	4
New districts opened up	5
Protection tax	5
Outrages by aborigines	5
General remarks—	
Trade retrospect of last few years not satisfactory.. .. .	5
Natural resources of the island	5
Causes of stagnation of commerce	6
1. Heavy taxation	6
2. Lack of harbours and good roads	6
Finances of island strained by military expenditure	7
Chief sources of revenue	7
Extinction of all lights on the coast in war-time	7
Sanitary precautions against plague.. .. .	5

(1956)

Total trade. Trade in Tainan during 1894 shows a slight improvement as compared with the previous year, the total foreign trade being computed at 759,023*l.*, as against 659,161*l.*, an increase of about 15 per cent.

The augmentation of the values as expressed in silver is considerably larger, as the tael of silver, which is the unit in which the customs returns are given depreciated in gold value from 3*s.* 11*d.* in 1893 to 3*s.* 4*d.* in 1894.

Increase in trade.

The improvement is but insignificant in imports, but in exports is considerable, and is primarily due to the unusually large crop of sugar gathered in 1894, as anticipated in my trade report for last year.

Imports.

The total of the imports is 351,795*l.* in 1894, as against 344,480*l.* in 1893. A large diminution in the import of Persian opium has been counterbalanced by an increase in sundry other items, in particular in the import of kerosene oil.

Import and prices of Persian opium.

The import of Persian opium has fallen from 3,033 cwts. in 1893 to 2,232 cwts. in 1894, a difference of 801 cwts. This is obviously due to the very high prices ruling for Persian during the year under review. The average price of new Persian opium was more than 70*l.* per cwt., as compared with about 55*l.* per cwt. in 1893. The price in January was as low as 53*l.* per cwt., and attained its maximum in August, reaching what one would imagine was the almost prohibitive figure of 90*l.* per cwt. Benares was not marked by such extreme fluctuations and was more moderate in price, averaging 61*l.* 10*s.* per cwt. These prices are exclusive of import and "likin" duties of over 15*l.* per cwt. The causes of the enhanced cost of foreign opium appear to be the following:—

Causes.

1. Partial failure of the Indian and Persian crops.
2. The Indian Silver Act, assigning a fixed value in gold to the rupee.

Opium ranks first in importance of the imports into South Formosa, the drug generally preferred being the Persian variety.

Indian opium. The import of Indian is but small, and shows a further decline; only 123 cwts. of Benares, and 23 cwts. of Patna were imported in 1894, and the only serious competitor with Persian

Native opium. is the Chinese drug, the cultivation of which, on the mainland, is yearly extending. I am informed that from 400 to 500 cwt. of Chinese opium have been imported during 1894 in junks, chiefly from Tung-An, Chin Chew and other places in the neighbourhood of Amoy. Most of this comes by native junk and the bulk of it is smuggled. One authority tells me that as much as 90 per cent. of it thus escapes taxation altogether. Its cheapness is its great recommendation, as "*cæteris paribus*," the flavour of Persian or Indian is preferred. Last year, when Persian opium was selling at 105*l.* per cwt. and Benares at 86*l.* per cwt. (exclusive of duty and "likin"), the Chinese imported drug was

selling at 55 $\frac{1}{2}$ per cwt. At one period of the year, owing to the costliness of Persian, there was a slight temporary enquiry for the Indian drug (Malwa and Benares), but the latter was speedily superseded by a large importation of the native Tung-An opium.

Persian opium is preferred to Indian here on account of the superiority of its "touch," i.e., the larger percentage of pure opium it contains, the relative proportions being approximately as follows:—Persian, 83 per cent.; Malwa, 78 per cent.; Benares, only 55 per cent.; and Chinese, 65 per cent. Besides the Persian opium ash can be smoked often. The high cost of Indian opium necessitates its adulteration with "sesamum seed cake," "Tientsin cake," and other compounds, to bring it within the means of the consumer.

Comparison
of touch.

That adulteration is more extensively practised than ever is shown by the customs returns. "Cake stuff" is all imported by foreign steamer, and last year the quantity amounted to 1,072 cwts.—an increase of 157 cwts. over the import for 1893. The employment of "Tientsin cake" for adulteration purposes has affected the demand for pure opium. It costs less than 4 $\frac{1}{2}$ per cwt., and is said to have a touch of about 6 per cent.; it gives a very repugnant odour when smoked.

Adulteration
always on the
increase.

An attempt made in 1889 to cultivate the poppy locally proved abortive. During the last 2 years the experiment has been renewed, and special attention has been paid to it in consequence of the high prices ruling in the market for foreign opium. The soil in the Kagee district has been found most suitable for the growth, and the drug produced last year is estimated at from 70 to 80 cwts. It is said that the non-success of the first attempt was chiefly owing to the ignorance of the planters as to the processes of manufacture. Some of them have now been to Tung-An and other places on the mainland to study the methods. An increase in locally grown opium is not unlikely, owing to its comparative cheapness and its present exemption from all taxation. Should the cultivation attain considerable dimensions this immunity can hardly be permanent, and a "likin" duty is not an improbable contingency. I am told that the local opium is generally smoked blended with Persian, as when unmixed it is too mild in smoke to suit the popular taste. The high price of foreign opium last year led to some extent to a temporary cessation of the habit by many smokers, only, it is to be feared, to be resumed when a fall in price admits of their indulging. This temporary abandonment resulted in an increased demand for anti-opium pills, cakes, and liquid morphia. An opium mixture is generally smoked in Formosa, and rarely the pure drug. That chiefly in vogue amongst the labourers consists of one-third best Persian, one-third of "Tientsin cake," and the remainder of opium ash. The well-to-do generally omit the "Tientsin cake" from the compound.

Local grown
opium.

Cotton and Woollen Goods.

The value of cotton goods imported by foreign vessels shows (1956)

Import of
cotton goods.

Italian cloth.
Striking
increase in
kerosene.

but slight increase, and has for some time past averaged about 20,000*l.* per annum from year to year. In 1894 it amounted to a total of but 17,116*l.*; still, it must be remembered that this represents only a portion of the import, much of which arrives by native junk, and does not appear in the returns. In woollen goods the only noteworthy feature is an increase in the demand for Italian cloth, the import of which has nearly trebled last year's figures.

Kerosene again shows a striking increase, no less than 667,210 gallons having been imported, as compared with 189,020 gallons in 1893. The oil used is chiefly American, though latterly there has been some demand for Russian, which is slightly cheaper. There is no other item in the list of imports that seems to call for special remark.

Exports.

Sugar crop.

Destination
and prices of
various
sugars.

The sugar crop in 1894 was far above the average, 875,787 cwts. being exported in foreign vessels, as against 607,046 cwts. in 1893. The increase in the total trade last year is principally due to this single item. The market opened in January, and the crop was all shipped away by the end of June. As usual, the bulk of the Takow sugars went to Japan, the Tainanfu brown sugars to Shanghai, Tientsin, and the northern ports of China generally. The price of Takow brown sugar averaged about 6*s.* 4*d.* per cwt. Of Tainanfu brown, first quality (Shang ton), 7*s.* 2*d.* per cwt.; Tainanfu brown, second quality (Chung ton), 6*s.* 5*d.* per cwt.; and of Tainanfu white, 14*s.* 10*d.* per cwt. The sugar crop this year is reported to be even better than last year, and shipments are being hurriedly made on account of the political situation.

Camphor.

The last year shows a satisfactory development of the camphor trade, 13,971 cwts. having left the port, as against 7,530 cwts. in 1893, an increase of 85 per cent. The following figures will show the steady expansion of this trade since the abandonment of the Government monopoly:—

TABLE showing Export of Camphor during the Years 1890-94 inclusive.

Year.						Quantity.
						Cwts.
1890	..	..	..	..	..	904
1891	..	..	..	..	..	2,524
1892	..	..	..	..	..	5,441
1893	..	..	..	..	..	7,530
1894	..	..	..	..	..	13,971

Fluctuations.

From January to July the prices ruled rather low. In the latter month camphor fetched in the Hong-Kong market only

3*l.* 2*s.* per cwt. In August, however, on the outbreak of war between China and Japan, there was a boom in the market, and the price rose at one time to 5*l.* 14*s.* per cwt. This was due to apprehensions entertained in Hong-Kong of a blockade of the Formosa ports. The market quickly recovered from this abnormal figure, but prices were well maintained throughout the remainder of the year, the average price being about 4*l.* per cwt. The trade must have proved remunerative to those engaged in it. During the year two more British firms (Parsees) have started in the business. There are now five foreign firms in Tainan engaged in camphor business, namely, four British and one German.

In the course of the past year new districts have been opened up at Antapo, Chang Lin Ping, and other places in the Kagee district. An attempt was made last spring by the Kagee magistrate to compel foreigners to convey camphor produced at Chang Lin Ping by a circuitous road on its transit to the coast, instead of by another direct road, which shortened the journey by two days, on the plea that the former offered greater facilities for official inspection; but the Taot'ai, on being appealed to, at once admitted that foreign merchants were at liberty to convey their goods under transit pass by any route they pleased, an understanding to this effect having been previously arrived at by the efforts of Mr. Warren, formerly Consul here. The camphor produced is all brought down under transit pass; 71 passes were taken out in 1894, as against 57 in the previous year.

New districts opened up.
Attempted obstruction by Kagee magistrate.

The best camphor forests are situated on the borders of savage territory, and the Chinese operatives, when cutting down trees and camphor distilling, are liable to attacks by the savages. The hazardous nature of the occupation suggested to the Chinese authorities the levy of an impost, known as "fang fei," or protection tax on all camphor produced, to pay for the maintenance of frontier guards to protect the camphor workers. Recently, owing to the exigencies of coast defence, the camphor districts have been largely denuded of troops, whose services are required elsewhere. The continuance of the levy has caused a certain amount of discontent on the part of the foreign merchants, as they say that their operations are at present receiving merely nominal protection. Some outrages by savages have recently been reported at places called Bakhialang and Kato Ké, in the district of Chip Chip. The camphor stills have been destroyed, and operators murdered, and so far the savages have not been punished.

Protection tax.

Outrages by aborigines.

General.

A retrospect of the trade of Tainan during the last few years is a disappointing one. It is not such as the natural advantages of the island would warrant the expectation of. As is well known, the Island of Formosa possesses a fertile soil, and is rich in mineral wealth. Tea, camphor, sugar, rice, hemp, indigo, tobacco,

Retrospect.

Natural resources of the Island of Formosa.

cassia, sesamum, turmeric, castor oil, and pea-nuts are among the chief vegetable products, and the soil is well adapted for the growth of cotton, coffee, and opium. The excellence and abundance of the rice crop caused Formosa to be regarded at one time as the "granary of China." This year, on account of possible military exigencies and the large number of troops from the mainland who have arrived to defend the island, the export of rice has been nominally strictly prohibited; in spite of this, there has been a steady illicit exportation by junk.

The island abounds in coal, petroleum, and sulphur, whilst gold and silver have been found. No attempt has yet been made to work any mines in South Formosa, and all enterprise in this direction has been steadily discountenanced.

Stagnation of
commerce.
Heavy
taxation.

The stagnation of commerce cannot therefore be ascribed to any deficiency of natural wealth, but to lack of energy in developing the natural resources of the island. Another cause is the heavy taxation under which trade languishes. Up to the year 1886 the policy of the Chinese was to stimulate trade in this newly settled and sparsely populated dependency of the Empire by light taxation and exemption from duties in vogue on the mainland. The following year, Formosa, which had previously been an appanage of the Viceroyalty of the Fuhkien and Chê Chiang provinces, was erected into a separate province, and thereby lost a subvention of about 75,000*l.* with which it had been previously subsidised. To make up for this loss, the Government hit upon the expedient of imposing an excise tax in addition to customs duties on all exports. This is known as "export likin," and its incidence has been one of the causes of the non-expansion of trade. The population too is oppressed by a heavy land tax, so heavy as to render it not worth while to cultivate some of the inferior land; thus the inducements to immigration are less than they were.

Lack of
harbour and
good roads.

Another obstacle to trade development is the absence of a good harbour and the difficulties of internal transit consequent upon the want of good roads. The remedy for the first defect is to hand. A natural "lagoon" exists at Takow, about 7 miles long by an average breadth of half a mile, and divided from the sea by a narrow "spit" of coral throughout its whole length. The dredging of this lagoon and its conversion into a splendid harbour would be a simple and not very costly operation, but the Government have not yet been induced to take any steps in this direction beyond ordering a preliminary survey some 5 years ago. Even now, a vessel drawing 11 feet of water can enter the lagoon, but to avoid sandbanks the services of a local pilot should be engaged. The large sugar steamers invariably lie out in the open roadstead, and the shipment and discharge of cargo is liable to frequent interruption from stress of weather. At the port of Aup'ing matters are much the same. Vessels lie out in the open, 2 miles from the shore, and are loaded and discharged by cargo boats, which communicate with the shore by one or other of two narrow channels intersecting the surrounding sand flats. These are the

only approaches to the port, and are extremely shallow. To enter them the bar must first be crossed. In rough weather a heavy surf breaks over the bar, which sometimes for days together remains impassable. At one time last winter the depth of water on the bar at low tide was only 2 feet, at high tide about 5 feet; consequently, even the small steam launches employed in towing cargo boats can often only cross it near the time of high water. Dredging is thus urgently needed, but though often spoken about, has not yet been attempted. When the absence of all local improvements, the difficult conditions under which cargo is worked and the heavy taxation are considered, the reasons why trade shows so little development are apparent.

The finances of the island have been lately severely strained by the exigencies of military service and by the increase of the local garrisons consequent on the arrival of large reinforcements from the mainland.

Finances of the island severely strained by military expenditure. Chief sources of revenue.

The chief sources of revenue are the customs duties, land tax, "export likin," and "fang fei" or protection tax on camphor. The foreign carrying trade, both by steamer and sailing vessel, is heavily handicapped owing to the differential duties charged in favour of cargo shipped in native junks. Imports in native bottoms escape customs dues altogether, and exports in the same pay only one-third the duties levied on produce exported by foreign steamer. There is no likin on imports (except opium) in South Formosa.

Export likin on camphor is usually compounded for by foreign merchants by taking out transit passes, under which half the export duty, amounting to about 1s. per cwt., is paid to the foreign customs at the port of shipment in lieu of likin. Likin is paid on sugar at the rate of about 2d. per cwt. of brown sugar and 4d. per cwt. of white sugar. No transit passes have been applied for in the case of this commodity.

Incidence of export likin.

Coincident with an official announcement of the outbreak of hostilities with Japan, an order was issued on August 3 for the extinction of all lights existing on the coasts of South Formosa and the Pescadores, namely, at Fisher Island in the Pescadores, Auping, Takow, and South Cape; and since that date commerce has been conducted without these customary aids to navigation. Happily, so far, no casualty has been reported owing to their cessation.

Extinction of all lights on the coast in war-time.

In the month of October the high official hierarchy was completely reorganised. Shao Yü Lien, the Governor of the island was appointed Acting-Governor of Hunan, and his position was filled by the promotion of T'ang Ching Sung, the Treasurer of Formosa, to be Acting-Governor, his previous experience in Tonkin at the time of the French imbroglio being probably regarded as some qualification for his taking the helm in these troubled times.

Reorganisation of the high officials.

The defence of the island has been entrusted to Lui Yung Fu, the notorious leader of the "Black Flags," who also acquitted himself with distinction in Annam during the hostilities with France in 1884-85.

Mission work
not inter-
rupted by
war.

Sanitary
precautions
against
plague.

The work of the English Presbyterian Mission, the only Protestant body represented in this part of the island, has proceeded without interruption on account of the war, and passports issued to them to visit the various mission stations in the interior have been respected as usual.

The outbreak of plague at Hong-Kong last summer led to sanitary precautions being taken locally to prevent the infection spreading to this island. The task presented no great difficulty, inasmuch as after the termination of the sugar season about the end of June, communication with Hong-Kong is almost exclusively maintained by one steamer, the steamship "Thales" which runs regularly to and fro.

On July 3 Mr. Spinney, the Acting-Commissioner of Customs, issued a notification ordering a medical inspection of shipping arriving from Hong-Kong, either direct or via the coast ports, and arrangements were made for landing any infected persons. Pratique was only granted on the certificate of the medical inspector. The measures taken were successful, and on the receipt of reassuring news from Hong-Kong reporting the rapid disappearance of the plague, were discontinued on August 27.

In conclusion, I must express my thanks to the Commissioner of Customs for access to the returns, before publication, from which the appended tables were compiled.

Table 1.—RETURN of all Shipping at the Port of Tainan during the Year 1894.

ENTERED.

Nationality.	Sailing.		Steam.		Total.		Value of Cargoes.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	1	361	62	45,396	63	45,757	£ 288,695
German	10	3,542	6	6,583	16	10,125	49,709
Swedish and Nor- wegian	1	193	2	902	3	1,095	2,748
Japanese ... ..	...	...	3	3,045	3	3,045	2,160
Chinese ... ..	...	...	7	4,933	7	4,933	10,493
Total	12	4,096	80	60,859	92	64,955	351,795
„ for the year preceding	14	5,881	70	47,805	84	53,686	344,480

CLEARED.

Nationality.	Sailing.		Steam.		Total.		Value of Cargoes.
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.	
British	3	1,217	62	45,896	65	46,613	293,234
German	10	3,542	7	6,970	17	10,512	89,009
Swedish and Norwegian	1	193	2	902	3	1,095	1,518
Japanese ... ..	...	...	3	3,045	3	3,045	23,064
Chinese ... ..	...	...	7	4,933	7	4,933	403
Total	14	4,952	81	61,246	95	66,198	407,228
„ for the year preceding	12	5,025	69	47,418	81	52,443	314,681

Table 2.—RETURN of Principal Articles of Import into Tainan during the Years 1894-93.

Articles.		1894.		1893.	
		Quantity.	Value.	Quantity.	Value.
Foreign goods:—			£		£
Opium—					
Patna	Cwts. ...	23	1,891	...	...
Benares	„ ...	123	10,430	160	12,784
Persian... ..	„ ...	2,232	166,891	3,033	223,738
Cotton goods:—					
Shirtings—					
Grey, plain	Pieces ...	22,151	8,450	16,627	5,641
White, plain	„ ...	8,629	5,026	7,756	4,511
T-cloths, 32"	„ ...	3,550	832	7,013	1,305
Japanese cloth and crapes	„ ...	...	663	...	...
„ towels... ..	Dozens ...	3,521	186	...	...
Miscellaneous cottons ... ..	„ ...	...	1,959	...	3,160
Woollen goods—					
Camlets, English	Pieces ...	3,054	5,153	3,073	5,324
Lastings, plain	„ ...	1,251	1,639	1,507	2,181
Spanish stripes	„ ...	255	424	399	822
Alpacas	„ ...	10	7	1,542	1,195
Italian cloth	„ ...	3,478	2,385	1,263	1,050
Miscellaneous woollens	„ ...	...	2,383	...	3,794
Metals, miscellaneous ... ..	„ ...	...	898	...	1,248
Kerosene—					
American	Gallons ...	603,710	13,748	189,020	4,464
Russian	„ ...	63,600	1,293	...	...
Ginseng	Cwts. ...	29	2,352	38	3,567
Flour	„ ...	3,567	1,789	3,578	1,956
Matches	Gross ...	20,600	968	16,442	957
Sundries ... ..	„ ...	...	68,940	...	41,588
Native produce:—					
Bags, hemp	Pieces ...	144,788	1,289	236,907	1,864
Cake-stuff	Cwts. ...	1,072	3,914	915	3,947
Joas sticks	„ ...	905	1,179	838	1,205
Medicines... ..	„ ...	531	608	366	486
Tobacco, prepared	„ ...	889	2,661	1,557	4,559
Wood poles	Pieces ...	11,189	3,648	6,820	2,817
Woollen and cotton mixtures...	„ ...	6,298	1,241	6,260	1,248
Miscellaneous ... ..	„ ...	...	18,946	...	9,003
Total ... ..	...	...	351,795	...	314,480

Exchange: 1 Haikwan tael = 3s. 11d. in 1893; 3s. 4d. in 1894.

Table 3.—RETURN of Principal Articles of Export from Tainan during the Years 1894-93.

Articles.	1884.		1893.	
	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£
Bamboo shoots.. ..	3,952	2,435	3,831	2,162
Camphor	13,971	43,979	7,530	25,528
Hemp	2,858	3,920	2,622	4,045
Lungan pulp	8,808	7,477	4,435	3,345
Lungan, dried.. ..	5,809	1,596	5,428	1,833
Sugar, brown	799,966	267,236	272,058	228,842
" white	75,821	49,092	34,988	25,906
Turmeric	35,219	10,962	35,436	13,732
Miscellaneous .. ..	..	6,732	..	7,938
Total .. ..	..	393,429	..	307,821
Re-exports —				
Foreign goods .. ..	..	13,652	..	6,657
Native " .. ..	..	147	..	203
Total of re-exports ..	..	13,799	..	6,860
Grand total, exports and re-exports ..	..	407,228	..	314,681

NOTE.—Exchange: 1 Haikwan tael = 3s. 11d. in 1893; 3s. 4d. in 1894.

Table 4.—RETURN showing Total Value of all Articles Exported from and Imported into Tainan to and from Foreign Countries and Chinese Ports during the Years 1894-93.

Country.	Imports.		Exports.	
	1894.	1893.	1894.	1893.
	£	£	£	£
Hong-Kong	283,453	292,842	77,385	49,980
Japan	Nil	Nil	129,205	81,636
Total foreign countries	283,453	292,842	206,540	131,616
Chinese ports	68,342	51,638	200,688	183,665
Grand total	351,795	344,480	407,228	314,681

NOTE.—Exchange: 1 Haikwan tael = 3s. 11d. in 1893; 3s. 4d. in 1894.

FOREIGN OFFICE.
1896.
ANNUAL SERIES.

N^o. 1733.
DIPLOMATIC AND CONSULAR REPORTS ON TRADE
AND FINANCE.

J A P A N.

REPORT FOR THE YEAR 1895
ON THE
TRADE OF TAINAN.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 1555.

Presented to both Houses of Parliament by Command of Her Majesty,
JUNE, 1896.

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1896.

[C. 7919—101.]

Returns difficult of compilation owing to political changes.

The compilation of trade returns for this port for 1895 has, owing to the political vicissitudes through which it passed, and the resulting frequent changes in the customs personnel, been a work of some difficulty. I have, however, been able to arrive at trustworthy statistics of the quantities of the principal imports and exports, though values are unprocurable.

Trade returns a true barometer of public confidence.

During the year South Formosa had the perhaps unique experience of being ruled by three governments, those of China, the Formosan Republic, and Japan, and the custom-house was accordingly controlled by three separate administrations. The statistics, therefore, are based on the returns of the Chinese Imperial Customs for the first 6 months of the year; on figures courteously supplied to me by Mr. MacAllum, chief of the customs executive during the dominion of the Republic for the period from July 1 to October 26; and on others placed at my disposal by the Japanese custom-house at Anping for the rest of the year. An examination of the detailed returns, of which the tables appended to this report are a summary, reveals some interesting facts. The statistics show that during March quarter the trade was about normal. Consequent on the capture of the "Pescadores" by the Japanese on March 23, the Chinese inhabitants throughout June quarter were in a state of trepidation and apprehension, not knowing how soon the invader might arrive. This uncertainty had a disastrous effect on trade, and is faithfully reflected in the following figures. Of cotton goods, only 1,341 pieces were imported, as against 10,526 pieces in the preceding quarter, and of woollen goods 353 pieces, as against 2,211 pieces. At the beginning of June, Liu-Yung-Fu, the "black flag" general, amid general acclamation, took the helm of the ship of State, for the piloting of which he was responsible during the September quarter.

Knowing the great prestige and renown he enjoyed amongst the Chinese, owing to his exploits in Tonquin and elsewhere, it is hardly matter of surprise to learn that the period of his tenure of office exhibited some revival of trade; the import of cotton piece-goods during September quarter being 3,421 pieces, of woollen goods 1,075 pieces.

Tainan-fu.

At the beginning of October came the news of Japanese armies advancing on Tainan-fu from north and south, whereupon the customs returns bear faithful testimony to the state of panic that prevailed. Trade was practically suspended for a time. During the month of October the entire import of cotton and woollen goods was limited to 40 pieces of "T"-cloths, and not a yard of grey or white shirtings was imported.

Takow was bombarded and captured on October 15, and Anping was peacefully occupied on October 21. Liu-Yung-Fu having taken refuge in flight, his followers, abandoned by their leader, voluntarily disarmed themselves and surrendered. From October 20 to 26 inclusive the custom-house was closed; from October 27 to the end of the year it was administered by the Japanese Government.

The returns of this last period, which have been carefully examined, show that two items indicate a marked interest, viz., flour and tobacco, 3,064 cwts. of the former having been imported, and 1,906 cwts. of the latter. The flour mostly comes from California. The demand is probably on the part of the Japanese immigrants, and not of the natives, and is likely to be maintained.

Increased demand for flour and tobacco since Japanese annexation.

Imports.

The returns of the whole year show, as was to be expected, a marked falling-off in imports. To begin with opium: the course of trade hitherto at this port may be roughly described as an import of opium and treasure, and to a minor extent of piece-goods, which are sent up country to pay for the sugar and camphor which are the staples of the export trade.

Importance of the opium trade in the past.

Notwithstanding political vicissitudes, 1,712 cwts. of foreign opium were imported, as against 2,378 cwts. in the preceding year. Of the total import 94 per cent. was Persian. As the Japanese have now prohibited the importation of the drug to foreigners, with the intention, apparently, of controlling the trade themselves, it is satisfactory to know that the Indian revenue will not suffer appreciably, though there will be some loss to the carrying trade, and considerable hardship to individual Parsee merchants, who have been carrying on business at the port for many years. It appears, however, that the drug is still to be administered in limited quantities to confirmed smokers, with the object of preventing sufferings and possibly death, which might ensue in some cases were the supply of the drug to be suddenly cut off; the administration to be confined to those persons only for whom the doctors certify that it is a medical necessity. The practical outcome of the Japanese legislation will thus probably be that the consumption of opium will be restricted in volume, and that it will become a Government monopoly. It may be noted that 57 cwts. of Chinese opium was imported by foreign vessels during the year.

Japanese now prohibit it to foreigners with the intention, apparently, of creating a Government monopoly.

Cotton and Woollen Goods.

The import of cotton goods in 1895 as compared with the preceding year shows a falling-off of 45 per cent., the figures being 19,001 pieces as against 34,330 pieces. Woollens show a still more marked diminution, viz., from 4,560 pieces to 2,018. These shrinkages are fully accounted for by political reasons as already explained, and some improvement may be looked for next year.

Of kerosene oil, 159,280 gallons were imported as against 669,210 in 1894. This decrease is partly due to large accumulations of stock in hand at the beginning of the year. As before remarked, flour and tobacco are items that promise well for the future

Kerosene.

(2183)

Exports.

Of exports, sugar and camphor are those in which foreign merchants are chiefly interested, and it is to be hoped that no changes may be introduced by the new rulers of the island that may prejudicially affect foreign trade.

Sugar; a
normal crop.

The export of sugar is carried on during the spring of the year, and its amount, viz., 843,310 cwts., shows it to have been about a normal crop.

Camphor;
high price of
the drug
throughout
the year;
cause thereof.

Throughout the year supplies of camphor have been coming steadily down from the up-country districts, and the high prices that this product have commanded have compensated merchants to a large extent for disappointments elsewhere, and for the troubles incident to life in South Formosa last year. The price has been for the greater part of the year from 6*l.* 10*s.* to 7*l.* per cwt., which must have afforded handsome profits to all engaged in the trade. This high rate is understood to be due to a "corner" in camphor, ascribed to the action of a syndicate at home. The use of camphor as a constituent of smokeless powder was, it seems, merely experimental, and has now been abandoned, but it is in increasing demand for the manufacture of celluloid, the employment of which as a substitute for ivory appears to be spreading. (See a letter from Sir Frederick Abel to Mr. Thiselton Dyer, published in the "Imperial Institute Journal.")

Table showing
the
expansion of
the trade of
late years.

The following table, placed at my disposal by Dr. W. Wykeham Myers, surgeon to Her Majesty's Consulate at this port, will show the important dimension to which this export has attained in Formosa.

TABLE showing the Export of Camphor from Formosa for the Years 1877-95.

Year.	Quantity.		Total.
	Tainan.	Tamsui.	
	Piculs.	Piculs.	Piculs.
1877 .. ..	..	13,176	13,176
1878	313	13,502	13,815
1879	66	11,048	11,114
1880 .. ..	..	12,835	12,835
1881 .. ..	..	9,816	9,816
1882	277	4,938	5,210
1883	213	3,086	3,299
1884	18	443	461
1885 .. ..	..	3	3
1886	370	964	1,334
1887	236	2,520	2,756
1888	961	2,873	3,834
1889	595	3,581	4,176
1890	759	6,482	7,241
1891	2,120	16,760	18,880
1892	4,572	12,969	17,541
1893	6,327	26,992	33,310
1894	11,736	27,811	39,547
1895	10,136	..	..

It will be seen from the above table that prior to the year Liu-Ming-1891 the exports from Tainan were comparatively trivial, this Chuan. was due to the determined efforts of the Governor, Liu-Ming-Chuan, to maintain a monopoly by farming out the trade to one firm to the exclusion of all others, the firm in question being presumably the one that bid highest for the privilege. Under instructions from the Tsung-li-yamen, this obstructive attitude was abandoned in 1891, with the gratifying extension of trade since that date so strikingly shown by the figures of the foregoing table. Unfortunately at the present moment the future of this flourishing trade is wrapt in gloom and uncertainty. At the end of last November, Mr. Furusho, Prefect of Tainan, issued, under instructions from the Governor of Formosa, regulations relating to the care of Government lands, mountains, forests, and estates, devoted to the manufacture of camphor, to be observed by all natives of Formosa.

Fair prospects of the foreign merchants clouded by the action of the new rulers of the island.

The following are the sections of this proclamation which chiefly affect the camphor trade:—

Proclamation by the Prefect of Tainan jeopardises the future of the trade.

1. All lands for which no title deeds have been obtained, as well as mountains, forests, and waste lands, shall be regarded as Government property.

2. With the exception of those who, prior to the conclusion of peace, received licences from the Chinese Government, the people are forbidden to cut down trees or to cultivate Government land, or to boil and manufacture camphor.

3. In the case of those who have received such licences, they must by the date specified in the proclamation of the local authorities, proceed to the proper Government office, and present petitions for examination.

The special regulations as to camphor manufacture are as follows:—

- (a) The situation of the camphor distilleries.
- (b) The local name of the camphor forest; its situation and boundaries must be drawn on a map.

The following particulars must also be given:—

- (c) The length and breadth of the camphor estate, together with the exact number of trees.
- (d) The number of furnaces and pans.
- (e) The maximum out-turn of camphor per diem; and also the minimum.
- (f) The number of workmen at each furnace.
- (g) The route to be taken by the camphor and its destination.
- (h) When the manufacture can be completed.

4. The local authorities will enquire into the validity or otherwise of the licences, if found in order they will be exchanged for certificates; if the petitions be untrue or defective in any way the applicants will be ordered to correct them.

5. If within the time specified by the local authorities no application for a licence is made; or if the licence previously granted by the Chinese Government is in any way doubtful; or if there should be deliberate delay and no regard paid to the date fixed—any such derelictions of duty being established to the satisfaction of the Governor and civil administration, will render the offender liable to the confiscation of all his implements, plant, and utensils.

6. Any breach of the 2nd regulation shall render the offender liable to a fine ranging from 50 dol. to 500 dol., and to the confiscation of his implements of manufacture, in accordance with the 5th regulation.

7. Any one aiding and abetting a breach of the 2nd regulation shall be fined from 2 dol. to 200 dol.

The time stipulated by which licences from the Chinese Government were to be presented for examination was December 11.

This proclamation, though addressed to the natives of the island, is one directly affecting foreign merchants, for if the natives are stopped from working the manufacture of camphor by foreigners, which can only be carried on by native agents, is also suspended. British merchants have large prescriptive interests in camphor, having invested a considerable amount of capital in the erection of distilleries, warehouses for the storage of camphor, &c., at many places in the interior of the island, all of which would be jeopardised were the trade suddenly interrupted.

Shipping.

Slight
increase of
tonnage.

An increase is observable in the tonnage of shipping frequenting

this port, 84 vessels of 60,100 tons entering, as against 92 vessels of 64,955 tons in 1894.

This is owing to the large increase of passenger traffic, caused by the general exodus of the official and well-to-do classes to the mainland.

Augmentation of passenger traffic caused by exodus of the well-to-do natives.

Statistics furnished to me show that about 7,000 natives emigrated to the mainland between July 1 and December 31, from Anping alone. Most Chinese of wealth or position have left, and as these are the classes among which the demand exists for foreign goods their departure must be prejudicial to port trade. The Japanese, however, do not appear to object specially to this depopulation of the island.

Regulations which come into force on January 1, 1896, throw obstacles in the way of immigration, and will tend to restrict the number of Chinese settlers. According to them an immigrant from China can only land at one of the four ports of Kelung, Tamsui, Anping, and Takow, and shall not be permitted to do so unless provided with a passport from the proper Chinese authority, stating his native place, name, age, and occupation, the name of the ship he travels by, and the object of his journey. Chinese coolies and persons without any fixed occupation are forbidden to land. The object of these rules is said to be the preservation of law and order, by preventing the ingress of bad characters; they are being carried out with great vigilance and rigour, so that landing at Anping or Takow is rather an irksome matter to the Chinese, accustomed to the laxity of their own officials, whose edicts are frequently allowed to remain a dead letter or enforced in the most perfunctory manner.

General Remarks.

It will be gathered from preceding remarks that the prospects of British trade in South Formosa are not bright at the present time. Opium, camphor, and sugar have hitherto been the mainstay of trade. The import of the former is now prohibited, and the future of the camphor trade seems uncertain, to say the least.

Possibly when the Japanese civil population arrives there may be a demand for commodities unnecessary to the thrifty Chinese, and it seems certain that British trade will have to develop in fresh directions. For instance, it appears unlikely that the present crude method of extracting the juice from the sugar-cane will be long tolerated, and I am inclined to think that a demand will spring up for sugar-rolling mills and sugar refining machinery, as by their introduction the existing wasteful methods by which 18 per cent. of the juice is left in the cane will be superseded, and Formosan sugar will attain a colour and purity that will cause it to be welcomed in markets where at present it cannot compete.

The Japanese custom-house at its inception retained the Chinese tariff, *i.e.*, the tariff fixed by the treaties concluded by

Retention for a time of the Chinese tariff.

Great Britain and other foreign Powers with China. British merchants acquiesced, inasmuch as importation of opium is allowed by our treaties with China, but prohibited in Japan except under strict supervision. However, the Japanese tariff has now been introduced.

Development
of internal
communica-
tion.

The Japanese are showing laudable energy in the development of the internal communications of the country, and during the 5 months that have now passed since they landed, have left more marks of their presence on the face of the country than their predecessors effected in as many decades. One of their first undertakings was the construction of a Décauville tramway of 20 inches gauge; they were prompted to make it doubtless by military considerations, and it has proved very useful for the purpose intended, viz., the forwarding of supplies and war material from the ports to the inland districts. One line of this miniature railway runs from Anping southward viâ Tainan-fu to Takow, a distance of 35 miles; another runs from Tainan-fu north to Kagee, 50 miles distant, whilst a branch line connects Takow with the prefectural city of Hosan (Pithan) 5 miles distant. Surveys have been made for a line of rail between Takow and Anping. Scores of miles of good road have been constructed, so that the discomforts of travelling in Formosa bid fair soon to be regarded as things of the past.

Table I.—RETURN of all Shipping at the Port of Tainan during the Year 1895.

ENTERED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	4	1,736	63	52,522	67	54,258
German	4	1,779	8	6,028	12	7,807
Norwegian ... ..	...	...	2	2,073	2	2,073
Danish ... ..	...	...	3	1,962	3	1,962
Total	8	3,515	76	62,585	84	66,100
„ for the year preceding ...	12	4,096	80	60,559	92	64,655

CLEARED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	4	1,736	63	52,522	67	54,258
German	4	1,779	8	6,028	12	7,807
Norwegian ... ..	...	...	2	2,073	2	2,073
Danish ... ..	...	...	3	1,962	3	1,962
Total	8	3,515	76	62,585	84	66,100
„ for the year preceding ...	12	4,096	80	60,559	92	64,655

Table 2.—RETURN of Principal Articles of Import into Tainan during the Years 1895-94.

Articles.	Quantity.	
	1895.	1894.
Foreign goods:—		
Opium—		
Malwa	Cwts. 3	..
Patna	"	23
Benares	" 101	123
Persian	" 1,608	2,232
Cotton goods:—		
Shirtings--		
Grey	Pieces .. 11,631	22,151
White	" 5,620	8,629
T-cloths, 32' ..	" 1,550	3,550
Japanese cloth and crapes ..	" 4,464	not given
" towels	Dozens .. 3,274	3,591
Woollen goods—		
Camlets, English	Pieces .. 1,491	3,054
Lastings, plain	" 497	1,251
Spanish stripes	" 30	255
Italian cloth	" 1,522	3,478
Kerosene—		
American	Gallons .. 123,790	603,710
Russian	" 35,490	63,500
Ginseng	Cwts. .. 16	29
Flour	" 4,673	3,567
Matches	Gross .. 30,700	20,500
Native produce—		
Hemp bags	Pieces .. 134,100	144,788
Cake-stuff	Cwts. .. 272	1,072
Joss-sticks	" 903	905
Medicines	Value .. not given	£531
Tobacco, prepared	Cwts. .. 1,905	889
Wood poles	Pieces .. 3,843	11,189
Native opium	Cwts. .. 57	..

Table 3.—RETURN of Principal Articles of Export from Tainan during the Years 1895-94.

Articles.	Quantity.	
	1895.	1894.
	Cwts.	Cwts.
Bamboo shoots	1,155	3,952
Camphor	12,067	13,971
Hemp	2,667	2,858
Lungan pulp	8,520	8,808
Lungans, dried	8,541	5,809
Sugar, brown	761,465	799,966
" white	81,845	75,821
Turmeric	24,955	35,219

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JAPAN.

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ON THE
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REFERENCE TO PREVIOUS REPORT, Annual Series No. 1733.

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1898.

[C. 8648—43.]

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1949. Loanda	2½d.	2008. Meshed	2½d.
1950. Panama	2½d.	2009. Chiengmai	1½d.
1951. Shanghai	2d.	2010. Stettin	1½d.
1952. Aleppo	1½d.	2011. Vera Cruz	1d.
1953. Ispahan	1½d.	2012. Kiungchow	1d.
1954. Tonga	1d.	2013. Christiania	2½d.
1955. Nice	1d.	2014. Warsaw	1d.
1956. Granada	1d.	2015. Hakodate	1d.
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J A P A N.

TAINAN.

Mr. Consul Kenny to the Marquess of Salisbury.

(Received at Foreign Office, October 13, 1897.)

My Lord,

I HAVE the honour to transmit to your Lordship herewith my Report on the Trade of this Consular District for the year 1896.

The Customs Returns, from which the figures in the Report are taken, were not published until the end of the spring of this year, and the Report is thus unavoidably issued later than usual.

I have, &c.

(Signed) W. J. KENNY.

Report on the Trade of the Consular District of Tainan for the Year 1896.

TABLE of Contents.

	PAGE
Total trade	2
Comparison with previous years	2
Imports	2
Opium	2
Cotton and woollen goods	3
Kerosene	3
Flour	4
Matches	4
Beer	4
Exports	4
Camphor	4
Sugar	5
Lungan pulp	6
Rice	6
Shipping	6
General remarks	6

Total trade.

The total trade of this port in foreign bottoms during the year 1896 amounted to 670,843*l.*, of which 374,074*l.* represents exports, and 296,774*l.* represents imports.

Comparison with previous years shows decrease.

Owing to the disturbed state of the country in 1895, and to the fact that the customs were controlled by three different Governments during the year, the trade returns were necessarily incomplete, values not being ascertainable, and are more or less useless for purposes of comparison. The average for the previous four years has, therefore, been taken. Compared on this basis the trade of last year shows a decrease of over 50,000*l.* This decrease is due altogether to the prohibition by the Government in the early part of the year (February 23) of the import of opium, which is responsible for a falling-off of over 160,000*l.* In other respects the trade of the year is well above the average.

The figures for 1896, given in the three tables appended to this report, are based on the returns published by the Imperial Japanese Customs, those for the average of the four years 1891-94 are taken from the annual reports of Her Majesty's Consuls.

Imports.

The import trade into Tainan shows, owing to the above-mentioned falling-off in the opium trade, a considerable decrease.

Opium.

The large and highly remunerative trade in opium was stopped, as far as foreigners are concerned, by the prohibition of February 23 last year, since which time the Government has established a monopoly of the import of the drug. Up to the date of the prohibition 478 chests of Persian and 4 chests of Benares had been landed, and trade was quite brisk, prices ranging from 750 to 800 dol. per picul (133½ lbs.). Immediately afterwards prices rose as high as 1,650 dol. per picul, at which figure large quantities of opium changed hands; but this favourable condition did not last long enough to allow of the merchants disposing of all their stocks.

Smuggling which, unfortunately, the customs authorities were unable to check, increased to such an extent after the prohibition that the demand for opium stored at the open ports ceased, and the requirements of the island were entirely supplied by native dealers. To make the situation worse, the Government began from the middle of the year to import opium on their own account through their agents in Hong-Kong to the utter neglect of the stocks already imported and held by foreigners here, who were thus left for the remainder of the year with large quantities of opium practically unsaleable on their hands. In May of this year, however, the Government at last took over these surplus stocks at the rate of 1,050 dol. per picul, which was considered to be a fair price.

Opium is now a Government monopoly in Formosa. Its import into Japan, except as a medical necessity, is strictly forbidden, and opium smoking by Japanese is a crime for which the offender is liable to penal servitude. In Formosa, however, every native over the age of 20 is now, practically, allowed to smoke provided he is supplied with the necessary licence under the regulations and becomes a Japanese subject. These licences are issued in con-

nection with the Government Laboratory at Taipeh, where the imported opium is refined and put, in three different qualities, into 1 lb. tins for distribution and sale to licence-holders throughout the country. The licences are of three kinds, and cost 3 dol., 2 dol., and 20 c. per month respectively. A holder of a first class licence may smoke any quality of opium, but a holder of a second or third class licence may not, under a heavy penalty, smoke a higher quality of opium than his ticket indicates. Opium police have been established, whose duty it is to watch for infringements of the regulations and enforce the penalty. They are allowed, in the discharge of their duty, to enter and search houses informally at all times on a reasonable suspicion. From April 1 to May 22 of this year the total receipts on Government sales of opium were 84,384 dol., and the revenue derived from the sale of licences was 5,844 $\frac{1}{2}$. These figures would tend to show that smuggling still continues unabated.

With regard to the profit made on sales of opium by the Government, the Laboratory turns out refined opium of three grades at a fixed price of 12, 9, and 7 dol. per lb. respectively. The first grade is Benares opium, which is imported in its crude state, at, say 750 dol. per picul, and sold, after refining, at the rate of 1,653 dol. per picul, a price which leaves a considerable margin of profit, even after making large allowances for the waste which takes place during the boiling process. This waste, I am informed, amounts to 20 per cent. in the case of Persian opium, and 33 $\frac{1}{4}$ per cent. in that of Benares opium; while the expenses in connection with the boiling amount to from 20 dol. 22 c. to 21 dol. 3 c. per picul.

The Government intend, in the course of time, to establish opium refineries all over the island, and contemplate, it is said, supplying the outside market after satisfying the home demand. It is to be hoped that, by way of compensation to the few foreign firms in Formosa who were engaged in the trade, for the loss of a very lucrative business, the Government may see its way to utilizing them as agents for the import and perhaps the distribution of the drug in the country. The prohibition above referred to means a decrease in the foreign trade of this port of about 250,000 $\frac{1}{2}$., and probably a corresponding increase in the imports into the northern part of the island.

The import of English piece-goods, both cotton and woollen Cotton and woollen goods. into South Formosa is growing smaller from year to year. The trade is largely in the hands of Chinese, who, knowing the wants and tastes of their customers, are able to supply them at cheap rates by buying refuse goods, wholesale or at auction, in Hong-Kong and elsewhere, a kind of business that is not profitable for the foreigners to undertake. China furnished during the year cotton piece goods of native manufacture to the value of 30,000 $\frac{1}{2}$., and Japan is importing into Formosa in increasingly large quantities, cheap fancy cotton prints and woollen and crêpe stuffs.

There was a marked increase, amounting to 165,873 gallons, in Kerosene.

(49)

quantity, and 4,171*l.* in value, in the import of kerosene oil last year. Russian oil is being supplanted by Sumatran, a new oil which, though rather smoky, seems to find particular favour with the Chinese on account of its superior quality and comparative cheapness.

Flour. As a consequence of the influx of Japanese into this district the import of flour has more than doubled, the amount imported during 1896 being 14,534 cwts., valued at 5,321*l.*, as against 4,076 cwts., of a value of 2,352*l.*

Matches. Matches have been imported to the value of 3,670*l.* They are manufactured in Japan, mostly to the order of foreign firms, and are of a cheap and flimsy make.

Beer. Beer of a light German brew was greatly in demand in the beginning of the year, and prices for a case of 4 dozen quarts ruled 11 dol., but gradually fell to 9 dol. 50 c. owing to the Japanese breweries making a strong effort to compete with the German product. The result of the competition is doubtful, as Japanese beer may sell cheaper but does not retain its freshness long in this country, whereas German beer, probably owing to the presence of salicylic acid, is always drinkable. When the new tariff, under which an import duty of 25 per cent. is leviable on foreign beer, comes into force, Japanese beer will probably monopolise the market in Formosa.

No other item in the list of imports seems to call for special mention. With the exception of the import of kerosene oil, beer and matches, the foreign import trade of this port is almost exclusively in the hands of Chinese merchants.

Exports.
Camphor. The camphor export for the year was 8,001 boxes, which is a decrease of 2,144 boxes from the export of preceding year, and of 4,156 from that of 1894. The trade from January to April was most remunerative, owing to the high prices ruling in Hong-Kong. Then the Japanese authorities, by the issue of regulations affecting the production and sale of camphor, and by the arbitrary arrest of foreign compradores and the confiscation of their camphor in the interior, so seriously interfered with the relations existing between foreigners, their compradores and the camphor workers that by June business was practically brought to a standstill. Repeated remonstrances from the Consular body had the effect of partly alleviating the situation, but before confidence was fully restored, a rebellion broke out in and around the camphor districts and put a stop for several months to all further business. During this time most of the camphor stills, which were all erected by foreign capital, were deserted by the camphor workers, to whom advances had been made for the purchase of camphor trees and the manufacture of camphor for the account of foreigners, the latter thus suffering heavy losses. When order was somewhat restored, and the large quantities of camphor which had been lying idle up country for several months, could be transported to the coast, prices in Hong-Kong had fallen 70 per cent., and did not improve for the remainder of the year. The regulations above referred to, and others subsequently issued, if allowed to remain in force, will

have the effect of gradually excluding foreigners from a business which they originated and of which they had, before the Japanese occupation of the island, practically a monopoly. Lately, however, the Japanese Government have agreed that the camphor business is to be carried on by foreigners under the same conditions as formerly until the new treaties come into force. It is to be presumed, therefore, that any Japanese regulations restrictive of the trade will be put in abeyance this year, and that the local officials will be instructed accordingly. There would then be a prospect of the trade reviving and assuming large proportions; but the outlook at present is not at all reassuring. First cost prices in the interior during the year were, January, 30 dol.; February to March, 35 to 40 dol.; April to May, 28 to 20 dol.; June, 17 to 13 dol.; November to December, 28 to 24 dol. per picul (133½ lbs.).

Hong-Kong selling prices were: January to April, 79 dol.; May, 60 dol.; June, 37 dol.; July, 43 dol.; August, 50 dol.; and between 45 dol. and 50 dol. to the end of the year.

Brown sugar was exported to the amount of 634,663 cwts., of a Sugar. value of 205,659*l.*, and white sugar to the amount of 79,331 cwts., valued at 47,106*l.* The figures given in this report include 303,194 cwts. of brown sugar, valued at 94,981*l.*, shipped to Yokohama. This is not, strictly speaking, foreign trade, as Formosa is now part of the Empire of Japan, and the figures are not given in the customs returns, but as the bulk of the sugar trade with Yokohama is in the hands of foreign merchants, and as all the sugar is shipped in foreign bottoms, the figures have been included.

The total crop for the year may be considered an average one both in quality and quantity.

Tainan-fu kinds are mostly shipped to the north of China, Tientsin and Ningpo taking the largest quantities. The trade is entirely in the hands of Chinese, whose powerful guilds in the north of China keep out any competition by foreigners.

The Takow crop goes almost entirely to Japan, and up to the present foreign firms have had about two-thirds of the trade in their hands, the rest being in the hands of Chinese shippers. Shipments to Japan were hurried forward, and the later ventures resulted disastrously, owing to the long storage in Yokohama, and loss in weight.

Prices for Takow sugar opened at 3 dol. 25 c. per picul (7*s.* 0½*d.* per 133½ lbs.), and gradually rose till 3 dol. 75 c. (8*s.* 7½*d.*) was paid for deliveries in March. Subsequently rates declined, and in May purchases were made as low as 3 dol. 35 c. (7*s.* 3*d.*). The Japan markets began to favour Tainan-fu sugar, and that trade, practically a new feature in the sugar trade of South Formosa, promised to increase, and thus give the foreign merchants a chance to enlarge their business, when the Government published regulations, according to which the greater part of the newly raised production tax of 30 c. per picul is returnable on sugar exported to foreign countries. By this action China alone benefited, and in consequence North China bought Tainan fu sugar more freely, and

thus raised the price on Japanese consumers, who could not afford to pay the higher prices.

To conclude, the sugar trade of 1896, up to the time that the new sugar regulations of the Japanese Government were published, was a profitable one to foreign firms, but afterwards heavy losses were experienced, and if it had not been for the outbreak of the rebellion in the Philippines, which raised a demand for Formosa sugar, the year's trade would have been a most disastrous one so far as foreign merchants are concerned.

Lungan pulp. Lungan is the fruit popularly known as the "dragon's eye." It is prepared in the form of a pulp by peeling and stoning the fruit, and drying and baking it, and is used by the Chinese as tea.

The lungan crops in Hêng-Hoa, Canton, Foochow, and Hainan, the chief producing districts outside of Formosa, were all severely damaged by typhoons, and consequently short. The demand on Formosa was therefore considerable, and shipments to Shanghai were far beyond those of previous years.

Rice. Rice was exported to China to the amount of 4,764 tons, valued at 23,517*l*. This trade is carried on entirely in junks, and has not therefore hitherto appeared in the customs returns.

Shipping. The total foreign shipping entered during the year shows an increase over that of 1895 of 10 ships and 11,735 tons, including:—

British shipping, an increase of eight ships and 9,246 tons.

German shipping, an increase of three ships and 3,857 tons.

Norwegian shipping, an increase of two ships and 594 tons.

Danish shipping, a decrease of three ships and 1,962 tons.

In addition to the foreign ships there were also entered at the customs 597 Chinese junks of 12,931 tons.

65 Japanese steamships representing a tonnage of 41,063 tons also visited the port during the year.

General remarks.

The occupation of Formosa by the Japanese has proved detrimental to British trade in the south of the Island. Apart from the prohibition of the opium trade, British merchants have suffered considerable loss by the departure from their service of old and trusted Chinese employes, numbers of whom preferred to leave Tainan and return to the mainland rather than submit to the numerous restrictions which they imagined would be imposed upon them unless they chose to become Japanese subjects.

The rebellion which broke out in the centre of the Island at the end of June put a stop to all trade in the interior for several months, and, even when business was again resumed towards the close of the year, it was only carried on under the greatest difficulties, as most of the Chinese workers who had been driven into the hills were reluctant to return in spite of the promises of the authorities that they would not be molested. Travelling in the interior, too, was a source of great danger, owing to the presence of armed banditti. Several robberies took place, and it became practically impossible to send any money into the country. In November the robbers raided Ling-a-Liau, a village about three miles east of Takow, and carried away money and

property to the value of about 10,000 dol. Two attacks made by them upon Takow during the same month were fortunately unsuccessful.

No very serious attempts were made during the year by Japanese mercantile firms of any repute to establish themselves in this district, and it was not until December that the first Japanese bank was opened in the city of Tainan. With the exception of officials, the majority of Japanese who came consisted of hotel and lodging-house keepers of a not particularly reputable class.

Two small steamers ran every 10 days during the year between Keelung and Takow, calling at Tamsui, the Pescadores and Anping. They were small, and the accommodation afforded by them very poor. They have, however, since the spring of this year (1897) been replaced by a fleet of eight larger vessels belonging to the Osaka Shosen Kwaisha (the Osaka Steamship Company) and a regular service is now conducted round the Island.

Table 1.—RETURN of Principal Articles of Import into Tainan during the Year 1896, and the Average of Imports during the Period 1891-94, both Years included.

Articles.			1896.		1891-94 (average).	
			Quantity.	Value.	Quantity.	Value.
				£		£
Foreign goods—						
Opium, Chinese ...	Cwts.	...	74	5,402	...	...
Indian and Persian ...	"	...	637	60,022	3,416	222,671
Cotton goods—						
Grey shirtings ...	Yards	...	890,800	7,557	...	7,232
White shirtings ...	"	...	320,600	3,900	...	6,036
T-cloths, 32 inches ...	"	...	91,424	782	...	1,487
Miscellaneous ...	...	...	...	3,430	...	3,456
Woollen goods—						
Camlets, English ...	Yards	...	125,970	3,472	...	7,386
Lastings, plain ...	"	...	22,640	1,488	...	2,246
Spanish stripes ...	"	...	3,849	250	...	902
Miscellaneous ...	"	...	...	808	...	6,457
Metals, miscellaneous ...	...	...	...	2,489	...	1,457
Kerosene—						
American ...	Gallons	...	462,430	11,408	305,042	7,552
Russian ...	"	...	17,640	455	45,875	1,130
Sumatran ...	"	...	36,720	990	...	...
Ginseng ...	Cwts.	...	85	3,107	85	3,356
Flour ...	"	...	14,534	5,321	4,076	2,362
Matches ...	Gross	...	77,556	3,670	...	...
Beer ...	Dozen	...	24,907	5,560	...	...
Sundries ...	...	...	...	16,315	...	40,997
Chinese produce—						
Bags, hemp ...	Number	...	344,208	2,160	175,634	1,518
" grass and straw ...	"	...	2,335	1,520	...	...
Oil-cakes ...	Cwts.	...	5,021	350	...	...
Joss-sticks ...	"	...	2,367	1,167	783	1,197
Tobacco, prepared ...	"	...	9,070	23,478	1,074	3,442
Wood-poles ...	...	...	...	5,212	...	2,612
Woollen and cotton mixtures ...	...	...	...	483	...	1,563
Silk piece-goods ...	Pieces	...	6,168	4,320	...	...
Cotton piece-goods ...	"	...	856,350	29,770	...	...
Paper ...	...	...	...	7,317	...	...
Medicines ...	...	...	...	10,224	...	3,120
Chinese wine ...	...	...	...	1,410	...	...
Matting ...	Rolls	...	290,725	1,185	...	...
Sundries ...	...	...	...	71,698	...	24,615
Total ...	...	...	...	296,774	...	362,783

Table 2.—RETURN of Principal Articles of Export from Tainan during the Year 1896, and the Average of Exports during the Period 1891-94, both Years included.

Articles.		1896.		1891-94 (average).	
		Quantity.	Value.	Quantity.	Value.
Ramboo shoots ...	Cwts.	1,765	1,673	2,473	1,657
Camphor ...	"	8,007	44,883	7,366	23,031
Hemp ...	"	2,793	4,794	2,491	6,239
Lungan pulp ...	"	16,458	15,328	6,335	6,719
Lungan, dried ...	"	34,234	13,326	5,102	2,832
Sugar, brown* ...	"	634,663	205,659	671,675	272,119
" white ...	"	79,331	47,106	47,658	34,207
Turmeric ...	"	11,249	3,203	29,947	11,844
Oil cakes ...	"	28,561	2,328	...	...
Sesamum seed ...	"	9,010	3,333	...	...
Rice ...	Tons	4,764	23,517	...	...
Miscellaneous ...	...	...	7,946	...	6,996
Total ...	...	...	373,101	...	363,644
Re-exports ...	...	...	973	...	11,558
Grand total ...	...	...	374,074	...	375,202

* Of which 331,469 cwts., valued at 110,678/., was exported to China and Hong-Kong and 303,194 cwts., valued at 94,981/., was exported to Japan (Yokohama).

Table 3.—RETURN of all Shipping at the Port of Tainan during the Year 1896.

ENTERED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British ...	3	1,074	72	62,430	75	63,504
German ...	6	2,134	9	9,530	15	11,664
Norwegian ...	...	...	4	2,667	4	2,667
Total ...	9	3,208	85	74,627	94	77,835
" for the year preceding ...	8	3,515	76	62,585	84	66,100
Japanese ...	...	...	65	41,063	65	41,063
Chinese junks ...	597	12,931	...	...	597	12,931
Grand total ...	606	16,139	150	115,690	756	131,829

CLEARED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British ...	2	716	70	60,114	72	60,830
German ...	4	1,468	9	9,530	13	10,998
Norwegian ...	...	...	4	2,667	4	2,667
Total ...	6	2,184	83	72,311	89	74,495
" for the year preceding ...	8	3,515	76	62,585	84	66,100
Japanese ...	...	...	64	40,276	64	40,276
Chinese junks ...	502	11,292	502	11,292
Grand total ...	508	13,476	147	112,587	655	126,063

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No. 2149 Annual Series.

DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1897

ON THE

TRADE OF TAINAN AND DISTRICT.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 2021.

*Presented to both Houses of Parliament by Command of Her Majesty,
JULY, 1898.*

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1898.

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CONTENTS.

	Page
Total trade	3
Comparison with previous year	3
Imports (Table 1)—	
Cotton and woollen goods.....	4
Kerosene oil.....	4
Matches	5
Beer	5
Condensed milk	5
Exports (Table 2)—	
Camphor	5
Sugar	6
Lungan pulp and dried lungans	8
Rice	8
Shipping (Table 3)—	
Foreign-going ships	9
Junks	9
Japanese coasting steamers	9
Difficulties of approaching the port during summer months	9
Service between Tainan and Hong-Kong	10
Population—	
Japanese and natives.....	10
Foreign residents	10
„ firms	10
General remarks—	
Year's trade unsatisfactory	11
Danger of travelling in the interior.....	11
Japanese merchants and shopkeepers	11
Hotels	11
Communication between Auping and Takow.....	11
Ice and the erection of an ice manufactory	11
Sanitation	12
Health of the port.....	12
Plague	12
Trade statistics, how acquired	12

Reference to previous Report, Annual Series No. 2021.

*Report on the Trade of the Consular District of Tainan for the
Year 1897*

By MR. ACTING-CONSUL GRIFFITHS.

(Received at Foreign Office, June 20, 1898.)

The total trade of this port during the year 1897 amounted **Total trade.**
to 612,284*l.*, of which 333,148*l.* represents exports, and 279,136*l.*
represents imports.

The principal foreign countries with which trade was carried
on during the year were as follows :—

Country.	Value.		
	Exports.	Imports.	Total.
	£	£	£
China	171,489	189,691	361,180
Hong-Kong	39,648	2,578	42,226
Great Britain .. .. .	..	35,539	35,539
United States of America ..	..	14,108	14,108
Germany .. .. .	..	11,940	11,940

Compared with the figures for the previous year, the returns **Comparison**
for 1897 show a considerable decrease as regards both exports **with previous**
and imports, the following comparative table giving the values **year.**
for each year :—

	Value.		
	1897.	1896.	Decrease.
	£	£	£
Imports	279,136	296,774	17,638
Exports	333,148	374,074	40,926
Total	612,284	670,848	58,564

The decrease, however, in the case of imports is due entirely
to the cessation of the import of opium. As explained in the
(224) A 2

report on Tainan trade for the previous year, the import of opium was prohibited by the Government on February 23, 1896, up to which date, from January 1 of the same year, opium to the value of 65,424*l.* had been imported. Last year, of course, opium did not figure at all in the returns, and the decrease in the import trade is, consequently, accounted for. In fact, leaving out the opium trade altogether, the general import trade of this port for 1897 shows a considerable increase over that for the previous year.

As regards exports, the decrease is chiefly due to the falling-off in the camphor trade, to which reference will be made further on in this report.

Imports.

Of the total amount of 279,136*l.*, the value of the import trade into Tainan during 1897, 89,445*l.* represents the value of foreign goods imported, and 189,691*l.* that of Chinese produce. This latter trade is exclusively in the hands of Chinese merchants, while of the foreign goods, the only articles imported by the foreign merchants resident at this port, are kerosene oil, beer, matches, and condensed milk.

Cotton and woollen goods.

There was a slight increase in the import of cotton and woollen piece-goods, but, as pointed out in the report on Tainan for the previous year, this trade is entirely confined to Chinese merchants, who make purchases as required, in Hong-Kong, of goods (chiefly refuse), wholesale or at auction, and retail them in Tainan and the other large towns of South Formosa. No piece-goods are imported direct from England, nor are there any prospects that such a trade could be carried on successfully. The growing Japanese population obtain their supplies from Japan, and though I have been unable to obtain statistics of the import of Japanese cotton goods into this port during the year under review, such import, judging from the well-stocked shops in the city of Tainan, must have been pretty considerable.

Kerosene oil.

There was a large increase in the import of kerosene oil last year, amounting to 286,075 gallons in quantity, and 3,965*l.* in value. American oil ("Comet") continues to have a considerable sale in this district, and is decidedly the best oil on the Tainan market. Though the import of this oil in 1897 shows a decrease as compared with that during the previous year, the actual consumption of the oil shows no falling-off, and the apparent decrease in the trade is due to the fact that large shipments arrived at the close of 1896, and there was, consequently, a considerable stock on hand on January 1, 1897.

The chief feature, however, of the kerosene oil trade during the past year was the enormous increase in the import of Sumatran (Langkat) oil. This increase amounted to 413,315 gallons in quantity, and 8,033*l.* in value. Russian oil has practically been supplanted by Langkat, the latter, although very smoky, apparently finding more favour with native buyers.

Prices arranged throughout the year for "Comet," 2 dol. 50 c. (5*s.* 2½*d.*) per one box of two tins, containing 10 gallons, and for Russian and Langkat oil about 10 c. (2½*d.*) less.

The import of matches shows an increase of 25,234 gross in quantity, and 974*l.* in value. The matches are all, as pointed out in the report on Tainan trade for 1896, manufactured in Japan, mostly to the order of foreign and Chinese firms, and are of a cheap and inferior make. In damp weather only a small percentage of them will light at all, while in dry weather they are highly and dangerously combusive. Cheapness is practically their only recommendation. The cost of a parcel containing 10 boxes with 60 matches in each box is in this port 4½ *c.* (a little over 1*d.*).

The import of beer continues to increase, 35,935 dozen, valued at 7,360*l.*, being imported into Tainan during 1897, as compared with 24,807 dozen, valued at 5,560*l.*, imported during the previous year. These figures represent almost exclusively beer of German brew, as the Japanese beer imported does not figure in the customs' returns, from which the tables attached to this report have been compiled. The import, however, of Japanese beer could not have been very large owing to the comparatively high price at which only it was, apparently, possible to sell it at a profit. While prices for Japanese beer, in spite of the absence of import duty, ruled as high as 11 *dol.* (22*s.* 11*d.*) for a case of four dozen quarts laid down in Tainan, German beer could be sold at 9 *dol.* (18*s.* 9*d.*) for the same quantity, and still leave a considerable margin of profit for the importer. The Japanese beer, too, labours under the disadvantage of becoming flat and undrinkable in this climate if kept for any length of time, whereas the German beer remains good after a couple of years.

The Japanese inhabitants of this district are large consumers of beer, and it is said that the natives are now developing a taste for malt liquors, so that there is every prospect of the import trade in beer continuing to increase.

Anglo-Swiss and American condensed milks have been almost entirely supplanted by the German article, it being possible to lay down the latter at 8 *dol.* 60 *c.* (17*s.* 11*d.*) per case of four-dozen tins, a price which is far below the cost of the others.

The export trade during 1897 shows a decrease of 40,926*l.*, compared with that of the previous year, chiefly due to the falling-off in the camphor trade, and to the export of lungan pulp and dried lungans resuming its normal condition after the extraordinary demand for these articles during the previous year, consequent upon the shortage of the crops in Southern China.

The camphor trade has, so far as concerns foreign merchants in South Formosa, almost entirely stopped, owing, among other causes, to the disturbed state of the country and the difficulty and danger of sending money into the camphor districts. The roads continued throughout the year to be infested with armed robbers, who on the approach of the military or police fled to the hills (where it was, apparently, impossible to pursue them) only to reappear at the first favourable opportunity. Robberies became of such frequent occurrence that no foreign or native merchant would venture to send money into the interior. The Japanese

(224)

authorities on their part did not see their way to allow the tax to be paid in the treaty port on arrival of the camphor, and business was consequently brought to a standstill.

In the raids and skirmishes, too, which have taken place in the camphor-producing districts numbers of stills have been destroyed. Their destruction was perhaps inevitable, but as they were almost entirely erected with money advanced or loaned by foreign merchants in South Formosa, the losses incurred by the latter have been very considerable. It is estimated that not one-third of the stills in existence two years ago, in which foreigners in South Formosa are interested, are now available for camphor production.

The hope expressed by Her Majesty's Consul in last year's report on the trade of this district, that the camphor trade might revive and assume large proportions has not been realised; in fact, far from this being the case, the camphor export business, as far as South Formosa is concerned, has now (April, 1898) almost stopped.

These remarks, of course, apply exclusively to the export of camphor by foreign merchants in this district (South Formosa), who have in the past invested considerable sums of money in the business. The production of camphor in the districts of Rinkipo and Shu Shu (Hünlin and Chip Chip), the principal districts whence the drug came to South Formosa, still, I am informed, continues, though to nothing like the same extent as formerly, but all the camphor so produced finds its way via the port of Rokko (Lokkang) to Tamsui, whence it is shipped to Hong-Kong and Japan. The roads north of Rokko are said to be perfectly safe, so that dealers can reach the neighbourhood of Chip Chip and buy up any camphor that, under other circumstances, should and would go to the foreign firms in Tainan, with whose money the business was first started. Things may remedy themselves in course of time, but the outlook at present is certainly not very bright.

The following table shows the export of camphor from this port since, practically, the commencement of the trade:—

Year.						Number of Boxes Exported.
1892..	..	..	..	..	..	4,315
1893..	..	..	..	..	..	6,691
1894..	..	..	..	..	..	12,137
1895..	..	..	..	..	..	10,145
1896..	..	..	..	..	..	8,001
1897..	..	..	..	..	..	8,957

NOTE.—1 box contains about 1 picul (133½ lbs.) of camphor.

Sugar.

Brown sugar was exported to the amount of 687,978 cwts., valued at 207,946*l.*, and white sugar to the amount of 82,532 cwts., valued at 45,804*l.* These figures show an increase, in the case of brown sugar, of 53,315 cwts. in amount, and 1,287*l.*

in value and, in the case of white sugar, an increase of 3,201 cwts. in amount, and a decrease of 1,302*l.* in value. As in the case of the previous year's returns, sugar exported to Japan (Yokohama) is included in the above figures, though the trade cannot, strictly speaking, be called an export to foreign countries. More than half the trade, however, is in the hands of foreign merchants in this district, and it is, in fact, at the present time, the principal business carried on by them.

The sugar crop for the year was an average one as regards quantity, but the quality, throughout the season, was inferior.

The market at Takow opened in February at 3 dol. 20. c. per picul (6*s.* 6*d.* per 133½ lbs.) first cost for ordinary brown, but, owing to the quality being condemned by the Japanese buyers in Yokohama, prices gradually declined to 2 dol. 70 c. (5*s.* 6*d.*) in May, and late purchases were made as low as 2 dol. 65 c. (5*s.* 4½*d.*).

Tainan-fu sugar of superior quality found ready buyers in Japan at remunerative rates, but shipments to the northern markets of China left no profit, those to Tientsin, the largest consuming centre of Tainan-fu sugar, resulting in a very serious loss.

As stated in last year's report on the trade of this district, the export of Tainan-fu sugar to the north of China is entirely in the hands of Chinese, and no competition by foreign merchants is possible.

Towards the end of last year's season large profits were made on late shipments of Takow sugar to Yokohama, owing to the rebellion in the Philippines threatening Japan with short supplies.

The following table shows the amount of sugar exported to Japan and to China and Hong-Kong respectively:—

Kind of Sugar.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£	Cwts.	£
Brown sugar ...	388,874	109,720	299,104	98,226	687,978	207,946
White sugar ...	19,851	10,795	62,681	35,009	82,532	45,804
Total ...	408,725	120,515	361,785	133,235	770,510	253,750

A new feature in the Takow sugar trade is that growers produce a superior kind of brown sugar, which fetches readily 50 c. per picul (about 1*s.* per 133½ lbs.) above the ordinary Takow kind, and as Japan is an eager buyer of these superior sugars, growers will be induced to pay more attention to the production of sugar, with the result that a superior quality will eventually take the place of the ordinary brown sugar which, at present, is very much mixed with black-looking stuff of an inferior quality.

Formerly it was the custom to sell Takow brown sugar only. This, although a mixture of good, bad, and indifferent kinds,

was a good marketable article, superior to any ordinary brown kinds imported into Japan from places other than Formosa. Growers, consequently, in the Takow district, paid little attention to treatment, and the gradual result was that an inferior article was produced. Now, however, with the demand for superior kinds at a higher price, the production of inferior sugars may eventually be done away with. Tainan-fu growers have, for years, paid attention to this matter, and one now sees but little inferior sugar in the Tainan-fu market.

This, however, is but a small matter compared with the benefits which the sugar industry in this island would, and will, I am sure, eventually derive from the introduction of machinery. The natives, however, are very conservative and more slowly in matters which necessitate any change, much less a radical one, from their old habits and customs. When they arouse themselves from their present state of lethargy and realise that they are now part and parcel of a very progressive and go-ahead nation, things will be different, and the resources of the country will then materially develop.

The hope expressed in the report on the trade of this district for the year 1893, that the efforts then being made to introduce iron sugar-cane crushing mills into this island might meet with permanent success, has not been fulfilled. The mill which was at that time imported and erected in the vicinity of the City of Tainan found, although apparently working successfully, no favour, and was soon discarded. There are now no mills of European make at work in this district.

When the time arrives for the native producers to appreciate the value of using the latest machinery in this industry there will be a considerable demand for crushing mills, and a new market should thus be opened for English-made machinery. Until then, however, as the production of sugar is entirely in the hands of the native growers one must, perforce, wait in patience.

Lungan pulp
and dried
lungans.

The export of lungan pulp and dried lungans in 1897 was, though less than that of the previous year, an average one, the export during 1896 having been, as explained in the report for that year, quite abnormal, owing to the exceptional demand in Southern China, consequent upon the failure of the crops in that district.

The lungan or lung-ngan (*Nephelium longana*) is a staple export from this district. Its local name is "gêng-gêng," both that and the name "lung-ngan" signifying "dragon's eye." The work of preparing the pulp, referred to in last year's report by Mr. Consul Kenny, usually commences about September and continues till the end of the year. It is performed chiefly by women and girls at a daily wage of about 60 to 80 cash (6 to 8 c. or 1½ d. to 2 d.), in addition to which they receive as a perquisite the husks and hard inner nut for use as fuel.

Rice.

The figures given in the table of exports appended to this report for the export of rice represent only the export to foreign countries (chiefly China). Towards the close of the year, how-

ever, large shipments of rice were made to Japan from this port at, generally speaking, very remunerative rates. I have not been able to get statistics of the quantity shipped in Japanese vessels from Anping, but the amount exported in foreign bottoms from the two ports (Anping and Takow) was 1,408 tons valued at 8,585*l.*, while from Takow, in addition, 1,022 tons, valued at 5,234*l.*, were exported in Japanese steamers.

Compared with the figures for the previous year the returns of Shipping. vessels entered from foreign countries during 1897 show a falling- Foreign-
off of six vessels and 370 tons, including:— going ships.

British shipping a decrease of nine ships and 1,171 tons, and

German shipping a decrease of one ship and 3,907 tons.

Norwegian and Swedish shipping remains the same as regards the number of vessels, but shows an increase as regards tonnage of 2,213 tons. Two American ships of 758 tons, one Japanese steamer of 976 tons, and one Chinese steamer of 761 tons entered the port during the year from foreign countries.

The number of junks entered at the customs during the year Junks. was 465 of 11,130 tons as compared with 597 with a total tonnage of 12,931 entered during the previous year. A considerable amount of trade is carried on in junks running between the mainland and the west coast of Formosa; rice, sugar, and other exports being sent over to the China coast ports, and miscellaneous Chinese goods brought back to Formosa. It is feared that, in spite of the vigilance of the customs' officials, there is still a considerable amount of smuggling being indulged in on the west coast of the island.

In addition to the foreign-going shipping, 170 Japanese steamers, Japanese coast
representing a tonnage of 199,660 tons, entered at this port steamers. during the year from Formosan coast ports and the various ports of Japan. A regular service was maintained round the island by steamers of the Osaka Shosen Kwaisha (Osaka Steamship Company). Two of these steamers, weather permitting, called at this port about every ten days, one arriving from Kelung via Taianko and the Pescadore Islands, and returning to that place via the south and east coast ports (Shajo, Nanwan, Taito (Palam), Karenko, Lowo), the other coming from Kelung via the east coast ports, and completing the circuit of the island back to Kelung via Taianko and the Pescadore Islands.

During, however, the south-west monsoon (May to October) Difficulties of
the regular service is much interfered with, owing to the frequent approaching
spells of bad weather and the absolute impossibility of any the port
communication taking place by boat between ship and shore during
whenever (and it happens only too frequently) the sea breaks at summer
all badly on the bars, formed by the south-west swell at Anping months.
and Takow. Both bars are at times very dangerous. The sea gets up in the course of an hour or two and rolls in huge breaker upon breaker with tremendous force. No boat, not even the specially built and, at other times peculiarly safe "tekpai," or local bamboo raft, can cross the bar at either Anping or Takow at such times during the south-west monsoon. Twice during last year

(in June and July), for three weeks continuously on each occasion, these two ports were entirely cut off from communication with the outside world owing to impassable bars, while on several other occasions during the summer, shipping business had for the same reason to be suspended for two or three days at a time.

At such times vessels, to avoid the heavy rolling and consequent straining to which they would be subjected were they to lie off the ports in the open roadstead, cross over to the Pescadore Islands and wait in the safe and commodious harbour of Makung until a favourable opportunity offers for them to recross to Anping or Takow.

In addition to the above-mentioned service round the island, another service of steamers, tri-monthly, was conducted between Kelung and Takow. These steamers called both on the up and down trips at the ports of Anping and Makung (Pescadores).

Service
between
Tainan and
Hong-Kong.
Population.
Japanese.

The usual tri-monthly service between Hong-Kong and Anping viâ Swatow and Amoy was also kept up throughout the year by the steamers of the Douglas Steamship Company.

Exclusive of the garrison, the population of this district at the end of the year 1897 was as follows:—

	Number of Inhabitants.				
	Japanese.		Natives.		Total.
	Male.	Female.	Male.	Female.	
City of Tainan ..	1,429	872	23,287	18,551	44,139
Anping	174	81	2,341	1,808	4,354
Takow	197	78	3,524	3,029	6,823
Total	1,800	976	29,152	23,388	55,316

In the above return Takow includes the villages of Chêng-Kim and Ling-a-liau, distant about two and three miles respectively to the east of Takow, but both comprised within the area of the Mixed Settlement, where Chinese and other foreigners are permitted to reside and trade.

Foreign
residents.

An accurate census of the Chinese population has not yet been taken. In a return with which I have been furnished the total number of Chinese resident in this district is given as 290, but I think this figure must be short of the actual number. The other foreign residents number 41, including 32 British, eight Spanish, and one German subject.

Foreign firms.

There are four British and two German firms at present established in this district. During the year one British firm of merchants, with headquarters at Hong-Kong, closed its Tainan branch, while one German firm, with headquarters at Tamsui, opened a branch establishment in this district,

The year's trade, so far as foreign merchants were concerned, cannot be considered satisfactory. Reference has already been made to the loss of the import of opium, and the great decline in the camphor export business.

General remarks.
Year's trade unsatisfactory.

As regards opium, hope is still cherished that "by way of compensation to the few foreign firms who were engaged in the trade, for the loss of a very lucrative business, the Government may see its way to utilising them as agents for the import of the drug." (Report on Tainan trade for 1896.)

As regards the camphor export trade, the outlook is not bright, and there is little hope of its becoming brighter until something is done to render travelling in the interior of the island less dangerous than it is at present. Robberies on the road occur with quite monotonous frequency, native traders are carried off to the hills and held for ransom, and farmhouses and depôts are constantly attacked.

Danger of travelling in the interior.

This state of affairs, unless soon remedied, must have a serious effect, not only on the camphor trade, but on trade generally in South Formosa, and until the country becomes quieter there can be little prospect of trade developing.

No Japanese mercantile firms of any standing have as yet established themselves in this district, but numbers of excellent shops have been opened in the city of Tainan. All kinds of articles are dealt in, the goods, which are of foreign or Japanese make, being imported chiefly from Japan.

Japanese merchants and shopkeepers.

A very good Japanese hotel, where foreign as well as Japanese food can be obtained, has been established in Tainan, while hotels of a similar pattern, but much inferior to the one in Tainan, are being run in Anping and Takow respectively.

Hotels.

Communication between the two ports, Anping and Takow, was kept up almost daily throughout the year (weather permitting, of course), by foreign-owned steam tugs, which make the trip (about 30 miles) in from three and a-half to four hours. By land the journey occupies from 10 to 12 hours according to the weather and the state of the roads.

Communication between Anping and Takow.

There was a considerable demand for ice (of which the Japanese are large consumers) during the year, and this had all to be obtained from Hong-Kong at a heavy cost. The price of ice in Tainan during the summer months averaged 20 c. (5d.) per lb., the original cost in Hong-Kong being 1½ c., or about 1½ farthings. The difference was due partly to the heavy charges for freight, landing and carriage to the city, but more particularly to the loss in weight suffered in transit from Hong-Kong.

Ice, and the erection of an ice manufactory.

To remedy this state of affairs, however, an ice company has now been formed in Anping. A factory has been erected and is expected to be in working order at the beginning of this summer (1898). The company is British, registered in Hong-Kong, and the factory, which will turn out about 2 tons of ice per diem, will be under British management. It should prove a very successful venture.

- Sanitation.** The sanitation of the port received careful attention at the hands of the authorities throughout the year. The city of Tainan has been much improved in this respect since the occupation of the island by the Japanese, although even under the Chinese régime, I am informed, it compared very favourably as regards cleanliness with the cities on the mainland of China.
- Health of the port.** The general health of the port throughout the year may be considered to have been good, though an epidemic of bubonic plague broke out in the city about the middle of March and was not stamped out until the beginning of July. According to official returns 540 cases occurred, of which 408 terminated fatally, but it is generally believed that owing to the reluctance of the native inhabitants to voluntarily report cases, the figures are considerably below the mark. No foreign residents were attacked by the disease, nor did any cases occur in the ports of Anping and Takow.
- Plague.**
- Trade statistics, how acquired.** The figures given in the tables appended to this report are based on the returns of the Imperial Japanese Customs, and I am indebted to the Superintendent of Customs at this port for kindly furnishing me with these statistics for publication. I am also indebted to the foreign merchants of this port for much information concerning its trade during the past year.

Table 1.—RETURN of Principal Articles of Import into Tainan during the Years 1897-96.

Articles.		1897.		1896.	
		Quantity.	Value.	Quantity.	Value.
Foreign goods—			\$		\$
Opium	Cwts. ...	...	...	711	65,424
Cotton goods—					
Grey shirtings	Yards ...	716,144	5,699	839,800	7,557
White shirtings	" ...	461,700	5,579	320,600	3,900
T-cloths	" ...	140,490	974	91,424	782
Miscellaneous ... ..	" ...	...	4,089	...	3,430
Woollen goods—					
Camlets, English	" ...	148,080	3,875	125,970	3,472
Lastings, plain	" ...	52,200	2,332	32,640	1,486
Spanish stripes	" ...	863	56	3,849	280
Miscellaneous ... ..	" ...	...	1,664	...	806
Blankets	Lbs. ...	15,244	1,017	4,999	570
Metals, Miscellaneous ... ..	" ...	...	3,535	...	2,489
Kerosene—					
American	Gallons ...	352,310	7,549	462,430	11,408
Russian	" ...	10,520	246	17,640	455
Sumatran	" ...	440,035	9,023	36,720	990
Ginseng	Cwts. ...	62	2,331	85	3,107
Flour	" ...	11,335	5,057	14,534	5,321
Matches	Gross ...	102,790	4,644	77,566	3,670
Beer	Dozen ...	35,935	7,360	24,807	5,560
Condensed milk	" ...	5,535	1,390	5,441	1,473
Sundries ... ..	" ...	...	23,025	...	14,272
Chinese produce—					
Bags, hemp	Number ...	608,696	3,740	344,208	2,160
Mats for packing	" ...	1,212,406	4,446	684,690	2,805
Oil cakes	Cwts. ...	5,240	347	5,021	380
Joss-sticks	" ...	6,349	2,701	2,367	1,167
Tobacco, prepared	" ...	13,126	33,882	9,070	23,476
Wood poles ... ..	" ...	...	7,648	...	5,212
Silk piece-goods	Pieces ...	8,262	6,301	6,168	4,320
Cotton piece-goods	" ...	1,102,674	41,747	856,350	29,770
Silk and cotton—					
Mixtures ... ..	" ...	...	118	...	8
Cotton, raw	Cwts. ...	2,383	3,941	1,781	3,251
Paper ... ..	" ...	...	14,808	...	7,317
Sundries ... ..	" ...	...	60,432	...	80,456
Total ... ..	...	...	278,566	...	296,774
Re-imports ... ..	...	...	580	...	...
Grand total ... ..	...	...	279,136	...	296,774

Table 2.—RETURN of Principal Articles of Export from Tainan during the Years 1897-96.

Articles.		1897.		1896.	
		Quantity.	Value.	Quantity.	Value.
Bamboo shoots	Cwts. ...	1,630	1,365	1,765	1,673
Camphor	" ...	3,946	12,525	8,007	44,888
Hemp	" ...	4,673	8,094	2,793	4,794
Lungan pulp	" ...	4,581	4,327	16,458	15,328
Lungana, dried	" ...	12,752	5,488	34,234	13,326
Sugar, brown	" ...	687,978	207,946	634,663	206,659
" white	" ...	82,532	45,804	79,331	47,106
Turmeric	" ...	19,133	5,357	11,249	3,203
Oil cakes	" ...	37,022	3,510	28,551	2,328
Sesamum seed	" ...	18,110	5,996	9,010	3,333
Rice	Tons ...	5,652	24,008	4,764	23,517
Miscellaneous ... ..	" ...	...	7,578	...	7,946
Total ... ..	...	...	331,998	...	373,101
Re-exports ... ..	...	...	1,150	...	973
Grand total ... ..	...	...	333,148	...	374,074

Table 3.—RETURN of all Shipping at the Port of Tainan during the Year 1897.

ENTERED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	3	1,113	63	61,220	66	62,333
German	10	3,429	4	4,328	14	7,757
Norwegian and Swedish	1	350	3	4,530	4	4,880
American	2	758	...	...	2	758
Japanese ... ..	...	...	1	976	1	976
Chinese ... ..	...	...	1	761	1	761
Total	16	5,650	72	71,815	88	77,465
„ for the year preceding ...	9	3,208	85	74,627	94	77,835
Junks, native ...	159	3,468	...	...	159	3,468
„ Chinese ...	306	7,662	...	...	306	7,662
Grand total ..	481	16,780	72	71,815	553	88,595

CLEARED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	3	1,113	63	61,220	66	62,333
German	10	3,429	4	4,328	14	7,757
Norwegian and Swedish ... ..	...	...	3	4,530	3	4,530
American	2	758	...	...	2	758
Japanese ... ..	...	...	2	3,523	2	3,523
Chinese ... ..	...	...	1	761	1	761
Total	15	5,300	73	74,362	88	79,662
„ for the year preceding ...	6	2,184	83	72,311	89	74,495
Junks, native ...	171	3,624	171	3,624
„ Chinese ...	276	7,188	276	7,188
Grand total ...	462	16,112	73	74,362	535	90,474

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J A P A N.

REPORT FOR THE YEAR 1898

ON THE

TRADE OF THE CONSULAR DISTRICT OF
TAINAN (SOUTH FORMOSA).

REFERENCE TO PREVIOUS REPORT, Annual Series No. 2149.

*Presented to both Houses of Parliament by Command of Her Majesty,
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1899.

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CONTENTS.

	PAGE
Total trade	3
Comparison with previous year	3
Trade with foreign countries	3
Imports (Table I)	4
Cotton and woollen goods	4
Chinese cotton goods	5
Kerosene oil.....	5
Matches	5
Beer	5
Condensed milk	6
Exports (Table II)	6
Camphor	6
Proposed Government monopoly	7
Sugar	7
Increase in export in 1898	7
Sugar exported to Japan included in return	7
" China in hands of Chinese	7
New features in the trade.....	8
Year's crop and prices	8
Demand in Japan for superior Tainan brown sugar.....	8
Competition with Manila sugar	8
Effect of Japanese demand on shipments to North China	8
Rice	8
Export to China.....	8
" Japan	8
Comparative table showing amount of rice exported to Japan and to China	9
Other exports	9
Hemp	9
Shipping (Table III)	10
Foreign-going ships	10
Decrease in British and increase in German shipping. How accounted for	10
Junks	10
Japanese coast steamers.....	10
Weather during summer interfered with shipping business.....	11
Population	11
Japanese and natives	11
Foreign residents	11
" firms	11
General remarks.....	11
Year's trade satisfactory	11
Disturbed state of the country during the year	11
Parcel post	12
Taxes (Table IV)	12
Internal communication.....	12
Décauville tram	12
Proposed railway	12
Health of the port	12
Trade statistics. How acquired	13

Reference to previous Report, Annual Series No. 2149.

Report on the Trade of the Consular District of Tainan (South Formosa) for the Year 1898

By MR. ACTING-CONSUL GRIFFITHS.

(Received at Foreign Office, August 10, 1899.)

The total foreign trade of this port during the year 1898 Total trade. amounted to 784,627*l.*, of which 415,021*l.* represents exports and 369,606*l.* represents imports.

These figures show a considerable increase as regards both Comparison exports and imports over the returns for the previous year, the with previous following comparative table giving the values for each year:— year.

				Value.		
				1898.	1897.	Increase.
				£	£	£
Imports	..	..	..	369,606	279,136	90,470
Exports	..	..	..	415,021	333,148	81,873
Total	..	..	..	784,627	612,284	172,343

The increase in imports was principally due to the unusually large quantities of Chinese goods, such as tobacco, piece-goods, &c., brought into the port at the close of the year, before the new and increased tariff came into operation on January 1, 1899.

The increase in the export trade was due chiefly to an increased demand for Formosan sugar in Japan and the northern districts of China, and to an increase in the export of rice to China.

The principal foreign countries the goods of which were Trade with imported into this district, or to which the native produce was foreign exported during the year under review were as follows:— countries.

Country.	Value.		
	Exports.	Imports.	Total.
	£	£	£
China	232,748	262,185	494,933
Hong-Kong	35,943	19,889	55,332
Great Britain .. .. .	..	43,011	43,011
United States of America ..	..	22,796	22,796
Germany .. .. .	..	13,482	13,482
Dutch East Indies .. ..	..	6,842	6,842

The above table does not, of course, include any exports to or imports from Japan, although, as in the case of the returns for 1896 and 1897, and for the same reasons as given in the reports for those years, the amount of sugar exported to Japan is included in the return of principal articles of export appended to this report (Table No. 2).

Imports.

Of the total amount of 369,606£, the value of the import trade into Tainan during 1898, 99,896£, represents the value of goods of foreign origin imported, 252,135£, that of Chinese produce, and 17,575£, the value of goods of Japanese origin imported from Japan via foreign ports, chiefly Hong-Kong.

As pointed out in the report on the trade of this district for 1897, the whole of the import trade, with the exception of the import of kerosene oil, matches, beer, and condensed milk, is in the hands of the local Chinese merchants. The bulk of the goods of foreign origin which they import they purchase in Hong-Kong, while Chinese produce imported by them they obtain in the various coast ports of China, chiefly Swatow, Amoy, and Foochow.

The following comparative table shows the increase or decrease which occurred in the value of the chief articles of foreign origin imported into this port during 1898, as compared with the figures for the previous year:—

Articles.	Value.		
	1898.	1897.	Increase or Decrease.
	£	£	£
Cotton goods	17,365	16,341	+ 1,024
Woollen goods	7,853	8,944	— 1,091
Metals	4,487	3,535	+ 952
Kerosene oil	17,126	16,818	+ 308
Flour	8,399	5,057	+ 3,342
Beer	9,762	7,860	+ 2,402

Cotton and woollen goods. There was a slight increase in the import of cotton piece-goods and a decrease in that of woollen goods. The trade is small and

presents few if any features of interest to the home manufacturers. All the goods are purchased in Hong-Kong, chiefly at auction. Owing to their conservatism and dislike to any change from old-established customs the natives of South Formosa may probably, in spite of the heavy freight payable from Hong-Kong, continue for some time to come to import English manufactured goods from that place as hitherto, and in any case there will always be more or less demand for the better qualities of grey and white shirtings, but Japanese manufactures in view of their cheapness, their exemption from payment of customs duties, and the facilities for direct shipment from Kobe, will doubtless eventually find more favour than at present.

Chinese cotton piece-goods were imported during the year to the amount of 1,562,136 pieces, and the value of 63,114*l.*; as against 1,102,574 pieces, valued at 41,747*l.* in 1897; being an increase of 459,562 pieces in quantity and 21,367*l.* in value. This increase of over 50 per cent. in value was probably due, however, to the large cargoes imported at the close of the year owing to the anxiety of importers to get in as much stock as possible before the new tariff came into operation on January 1, 1899.

There was a large increase in the import of American oil ("Comet") amounting to 292,375 gallons in quantity, and 2,721*l.* in value, while a considerable decrease is noticeable in the import of Sumatran (Langkat) oil amounting to 90,615 gallons in quantity and 2,181*l.* in value. This decrease was due to the fact that towards the close of the year the import of Langkat oil ceased owing, it is said, to the falling-off in supplies at the wells. A fair amount of American oil arrived at the end of the year in time to benefit by the old tariff.

As stated in the report on the trade of this district for the previous year, Russian oil has been practically ousted from the Tainan market.

The trade in matches continues to increase and 153,755 gross valued at 7,530*l.* were imported during the year, as against 102,790 gross valued at 4,644*l.* during 1897. All the matches imported were of Japanese manufacture. The various brands are, generally speaking, still of an inferior make, though one or two show signs of improvement in this respect.

Beer was imported during the year to the amount of 46,884 dozen valued at 9,762*l.*, as compared with 35,935 dozen valued at 7,360*l.* imported in 1897, showing an increase of 10,949 dozen in quantity, and 2,402*l.* in value. As in the previous year's report these figures represent almost exclusively beer of German brew, but whereas in 1897 this beer had practically the market to itself, owing to certain disadvantages such as higher price, non-suitability to climate, &c., under which the Japanese beers laboured, it unexpectedly in 1898 met with formidable competition from the latter to such an extent in fact that towards the close of the year little or no German beer could be sold, while the Japanese beers, especially the "Ebisu" beer brewed in Tokio and the "Asahi" beer brewed near Osaka had firmly established themselves throughout, I am

(468)

informed, the whole of the island. Large stocks of German beer were, consequently, left on the hands of importers.

I have not been able to get statistics of the quantity of beer imported from Japan owing to the fact that goods of Japanese origin, imported into Formosa direct from Japan, do not figure in the customs returns from which the tables appended to this report have been compiled, but towards the close of the year the quantity must have been pretty considerable.

The import and sale of Japanese beer in Tainan is entirely in the hands of Japanese merchants.

Condensed
milk.

It was stated in the report on the trade of this district for 1897 that Anglo-Swiss and American condensed milks had been almost entirely supplanted in this market by the German article, owing to the lower price at which the latter could be sold. This was correct at the time when the report was written and there was no reason, so long as the German milk remained of the same good quality as the first consignments and still undersold the other brands, why it should not have monopolised the market here. It failed, however, to keep up the required quality. On the contrary, it quickly deteriorated until, towards the end of the year under review, some consignments which arrived were so bad as, in the opinion of competent surveyors, to be practically worthless. It has consequently lost its position in the local market, and the Anglo-Swiss and American condensed milks are re-established. The trade is at present small but is likely to increase.

Exports.

In spite of a considerable decline in the export of camphor, the export trade during 1898 shows a large increase of 81,873*l.*, or nearly 25 per cent., as compared with that of the previous year. As explained at the beginning of this report, the increase was due to exceptionally large shipments of sugar and rice to China, and of sugar to Japan.

Camphor.

The export of camphor from this port shows a still further decline, and during 1898 reached the insignificant figures of 1,143 cwts. in quantity and 5,017*l.* in value.

As in the previous year, business between this port and the camphor-producing districts, Hunlin and Chip-Chip (Unrin and Shu Shu), was carried on under very great difficulties owing to the presence on the roads and in the country districts of bands of armed robbers, and the consequent danger of sending into the country either money for the payment of the camphor tax or goods and money as advances to the camphor producers. Robberies on the road were of almost daily occurrence, while it by no means infrequently happened that the unfortunate victims had not only their money and goods taken from them, but were themselves carried away into the hills by the brigands and held for ransom.

Under the circumstances it is not surprising that such a small quantity of camphor was brought down from the interior to be exported from this port during 1898.

The occupation of the island by the Japanese has considerably interfered with the prospects which the foreign merchants in

South Formosa had of developing a large and lucrative camphor export trade. The rapid increase which occurred in the business up to the time of that occupation in the summer of 1895, and the still more rapid decline which has subsequently taken place is shown by the following table, which gives the number of boxes of camphor exported from this port since 1891, the year when the monopoly system which had been maintained by the Governor of the island, Liu-Ming-chuan, was, under instructions from the Tsung-li-Yamen, abandoned.

Year.						Number of Boxes Exported.
1891	..	..	..	..	..	2,120
1892	..	..	..	..	..	4,315
1893	..	..	..	..	..	6,691
1894	..	..	..	..	..	12,157
1895	..	..	..	..	..	10,145
1896	..	..	..	..	..	8,001
1897	..	..	..	..	..	8,057
1898	..	..	..	..	..	987

NOTE.—1 box contains about 1 picul (133½ lbs.) of camphor.

The Japanese Government in 1896 agreed to allow the camphor business to be carried on by foreigners, under the same conditions as before the occupation of the island, until the expiration of the present treaties between Japan and other countries, but when the new treaties come into force in July of this year (1899) it is pretty generally understood, though nothing has been as yet officially made known here, that the Government intend to make the camphor-producing industry in Formosa a Government monopoly. It is not at present known under what system this monopoly will be established or what arrangement the Government will make for placing the camphor on the market. A sum, however, of 1,681,434 yen (172,084½) has already been voted by the Imperial Diet as an appropriation for the establishment and working expenses, &c., of the monopoly.

Proposed
Government
monopoly.

The amount of sugar exported from Tainan during 1898 shows a considerable increase as compared with the amount exported during the previous year, the increase being in the case of brown sugar 6,907 cwts. in quantity and 56,056½ in value, and in the case of white sugar 15,566 cwts. in quantity and 14,313½ in value. The figures given in the return of exports (Table No. 2) appended to this report include, as in the case of the returns for the two previous years, sugar exported to Japan as well as that exported to foreign countries. A considerable portion of the export trade to Japan, however, is in the hands of foreign merchants at this port, and nearly the whole of the sugar that went to Japan in 1898 was carried in British vessels.

Sugar.
Increase in
export in
1898.

Sugar
exported to
Japan
included in
return.

The export of sugar to China (chiefly to Ningpo and Tientsin) is exclusively in the hands of Chinese merchants, the powerful

Sugar
exported to
China in

hands of
Chinese
merchants.
New feature
in the trade.

Guilds in the North of China effectually preventing any competition on the part of foreign merchants.

A new feature, however, in the trade is that, whereas formerly all the sugar from South Formosa to the North of China was shipped in junks, a considerable portion of the amount exported is now, in spite of comparatively high freights, taken over by steamers. With reduced freights, there would seem to be no reason why the whole crop destined for China (which last year amounted to over 330,000 piculs*) should not be shipped in steamers. A considerable saving in time would certainly be effected and the cargoes would be afforded better protection against sea-damage during the voyage.

The following table gives the amount of sugar exported from this port to Japan and to China and Hong-Kong respectively during 1898:—

Kind of Sugar.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£	Cwts.	£
Brown sugar ...	392,229	144,108	302,656	119,894	694,885	264,002
White " ...	3,160	2,222	94,938	57,895	98,098	60,117
Total ...	395,389	146,330	397,594	177,789	792,983	324,119

Year's crop
and prices.

The sugar crop for the year was above the average both as regards quantity and quality. The market opened early in February at 3 dol. 30 c. per picul (5s. 8d. per cwt.) for the ordinary grade of Takow sugar (brown) but gradually improved owing to a good demand in Japan, and purchases in June were made as high as 4 dol. 20 c. per picul (7s. 2½d. per cwt.). As in the previous year Tainan brown sugars of superior quality found ready buyers in Japan, and the export again shows a considerable increase. The troubles in the Philippines restricted the export of sugar from those islands during the year, and doubtless materially assisted the position of Formosan sugars in Japan, but now that the superior grades of Tainan brown sugars have established themselves on the Yokohama market it is not unlikely that they will be shipped largely in the future in competition with Manila sugar.

Demand in
Japan for
superior
Tainan brown
sugar.
Competition
with Manila
sugar.

Effect of
Japanese
demand on
shipments to
North China.

The demand in Japan for Tainan brown sugars of superior quality considerably enhanced the price of these sugars. The high cost told against exporters to the Northern Chinese ports, and shipments, particularly to Tientsin, left little or no profit.

Rice.
Export to
China.

The export of rice to China during 1898 shows a large increase as compared with that for the previous year, the figures being 5,723 tons valued at 34,483½ in 1898, and 5,652 tons valued at 24,008½ in 1897. The trade is entirely in the hands of native (Chinese) merchants and is carried on almost exclusively in junks.

Export to
Japan.

In addition to the rice sent to the mainland and to Hong-Kong

* 1 picul = 133½ lbs.

a considerable quantity was shipped to Japan where, owing to the great scarcity of the home grain, there was a large demand for Formosan and other rice during the first half of the year under review. I have been unable to obtain information as to amount of rice which was shipped in Japanese steamers to Japan owing to the fact that no statistics of cargoes by Japanese steamers are kept by the customs, but the rice which went forward in foreign vessels amounted to 3,436 tons valued at 23,087*l*.

First shipments to Kobe and Yokohama proved highly remunerative to exporters, but subsequent ventures were less successful in consequence of the large import of Saigon and Bangkok rice into Japan. At the close of the year such heavy stocks had accumulated that a general collapse took place, and several cargoes of Formosan grain had to be sold at a great sacrifice.

The following comparative table shows the amount of rice exported from Tainan to Japan and to China and Hong-Kong respectively during the years 1898-97:—

Comparative table showing amount of rice exported to Japan and to China, &c.

Country.	1898.		1897.	
	Quantity.	Value.	Quantity.	Value.
	Tons.	£	Tons.	£
Japan	3,436	23,087	1,408	8,585
China and Hong-Kong..	5,723	34,482	5,652	24,008
Total	9,159	57,569	7,060	32,593

As mentioned previously, the amount of rice exported from this port to Japan in Japanese vessels is not included in the above return.

The export of dried lungans in 1898 shows a considerable falling-off as compared with the export during the previous year, owing to a shortage in the South Formosan crops. Hemp, turmeric, oil-cakes, and sesamum seed all show an increase, both in the quantity and in the value of the amount exported.

Hemp, or more strictly speaking the China grass plant (Boehmeria nivea) is largely exported to the mainland (chiefly to Swatow) for the purpose of being manufactured into cloth which is then re-imported into Formosa, the natives of the island not being sufficiently enterprising, or perhaps being too indifferent or lazy, to manufacture it for themselves. The plant is extensively cultivated on the western side of the island from Kagi southward, and the crop is pulled towards the end of August or early in September. The fibres are divided into three classes, the outer skin or inferior fibre from which rope is made, the middle fibre from which a coarse and inferior kind of cloth is manufactured, and the inner pith which is used for the manufacture of Chinese linen.

Shipping. The returns of vessels entered from foreign countries during 1898 show, when compared with the figures for the preceding year, a decrease of one vessel as regards numbers and an increase of 2,395 tons in tonnage.

Foreign-going ships.

Decrease in number of British ships and increase in that of German vessels. British shipping decreased to the extent of 14 ships and 13,873 tons, while German shipping shows an increase of 12 ships and 17,251 tons. This decrease in British and increase in German shipping was due, however, entirely to the fact that the Douglas company's steamer "Thales," which had for years past carried on the tri-monthly service between Hong-Kong and Anping via Swatow and Amoy, had to be taken off the run in consequence of the loss of the "Namoa" one of the company's vessels on the Hong-Kong-Foochow line, and was replaced on the South Formosa service by the "Nanyang," a German steamer chartered for the purpose by the Douglas Company. This steamer ran regularly throughout the year from January to December with the exception of a period of three months in the summer, when she was replaced by the ss. "Kong Beng" of the Scottish Oriental Company, likewise chartered by the Douglas Company. The "Nanyang" made 20 round trips during the year, and this fact, together with the fact that under ordinary circumstances a British steamer would have been running in her place, fully accounts for the increase in German and the decrease in British shipping in 1898.

Of British vessels which entered and cleared from this port during the year under review, 36 vessels, with a tonnage of 36,410 tons, belonged to the China Navigation Company, and two vessels, with a tonnage of 1,970 tons, to the Indo-China Steam Navigation Company. Four Japanese steamers of 3,960 tons and six American sailing vessels of 2,802 tons entered the port from foreign countries during the year.

Junks. Japanese (native) junks to the number of 225 with a tonnage of 5,869 tons, and Chinese junks to the number of 194 with a tonnage of 5,547 tons were entered at the custom-house during the year 1898, as against 159 native junks of 3,468 tons and 306 Chinese junks of 7,662 tons entered during 1897. A very extensive trade is at present carried on in junks between the west coast of Formosa and the mainland of China, but, as mentioned previously in this report, it is more than likely that a considerable portion of the Formosan produce now carried over to China, and of the large miscellaneous cargoes brought back from that country in junks would be shipped by steamers should freights by the latter become more favourable than they are at present.

Japanese coast steamers. In addition to the foreign-going shipping, statistics of which are given in Table No. 3 appended to this report, 199 Japanese steamers, representing a tonnage of 200,367 tons, entered this port during the year under review, as against 170 steamers, of 199,660 tons, which entered during 1897. All these steamers came from the coast ports either of Japan or of Formosa. The Osaka Shosen Kwaisha (Osaka Steamship Company) kept up a regular service of steamers round the island throughout the year as well as a tri-monthly service between Kelung and Takow, the steamers calling at Makung

(Makyu) in the Pescadores and at Anping, both on the way down from Kelung and on the return journey.

Shipping, however, was much interfered with during the summer months by the exceptionally bad weather and the frequency of heavy bars which prevented, so long as they lasted, any communication by boat with the shore, as several of these bars lasted longer than a fortnight each considerable inconvenience was experienced both ashore and afloat.

The population (Japanese and native) of this district at the end of 1898 was as follows:—

Population,
Japanese and
natives.

	Number of Inhabitants.				
	Japanese.		Natives.		Total.
	Male.	Female.	Male.	Female.	
City of Tainan ..	1,628	876	25,822	19,665	47,991
Anping ..	119	13	2,336	1,903	4,371
Takow ..	228	80	1,791	1,603	3,702
Total ..	1,975	969	29,949	23,171	56,064

NOTE.—The above figures do not include the Japanese garrison.

The Chinese residents at the close of the year numbered 328, and the other foreigners 47, including 36 British, eight Spanish, and three German subjects.

Foreign
residents.

There are at present four British firms established in this district. Both the German firms referred to in the report on the trade of this port for 1897 closed their business here during the year under review.

Foreign firms.

The year's trade was, on the whole, satisfactory, and, so far as the British merchants of Tainan were concerned, proved by no means unprofitable. In spite of the enormous decline in the export of camphor from South Formosa, to which reference has already been made, the year's exports show a decided increase, and prices realised generally left a considerable margin of profit for the exporter.

General
remarks.
Year's trade
satisfactory.

The year was certainly the most satisfactory one as regards the export trade experienced by British merchants in South Formosa since the occupation of the island by the Japanese; this, too, in spite of the disturbed state of the country and the consequent difficulties encountered in communicating not only with the interior but even with villages in the immediate vicinity of Tainan and the ports Anping and Takow. "Toa-hui" or brigands carried on their nefarious practices almost under the walls of the city of Tainan, while throughout the greater part of the year the road between that place and Takow, previously one of the safest in the island, was well-nigh impassable. The 2½ miles of road be-

Disurbed
state of the
country
during the
year.

tween Anping and Tainan even could scarcely be considered absolutely safe, especially towards the close of the year.

A punitive expedition was, however, organised at the beginning of November with the object, if possible, of stamping out brigandage in the southern portion of the island, and, although this object was not immediately achieved, a salutary effect was undoubtedly produced. Many of the brigand chiefs with their followers have since given in their submission to the authorities, and the country is now (April, 1899), comparatively speaking, quiet.

Parcel post.

From July 1 a parcel post was established between this port and Hong-Kong (including the British post-offices at the treaty ports in China), Macao, Malacca, Singapore, Canada, Germany, and Great Britain.

The rate to Great Britain is:—

					Amount.	
					Currency.	Sterling.
					Yen sen	s. d.
For parcels up to	3 lbs.	in weight	..	..	0 88	1 9½
"	7 lbs.	"	..	..	1 68	3 5½
"	11 lbs.	"	..	..	2 48	5 0½

The maximum weight carried is 11 lbs., and the maximum measurement is 2 feet in length and 6 feet in girth and length combined.

Taxes.

A new system of taxation came into force on October 1, the natives of South Formosa having up to that date paid no taxes, except those on land and on the production of camphor and sugar, since the occupation of the island by the Japanese in 1895. The new taxes include a supplementary (land) tax, a house tax, business tax, and miscellaneous taxes. A list of the taxes now levied in this district from April 1, 1899, is given in Table IV appended to this report.

Internal communication.
Décauville tram.

The Décauville tram referred to in the report on the trade of this district for 1895 has now been completed as far north as Shinchiku, the southern terminus of the existing railway, and about 150 miles north of Tainan.

Proposed railway.

The construction of a railway through the island is, at last, after many delays, to be commenced. A sum of 28,800,000 yen (2,947,500%), estimated as required for the purpose, has been voted by the Imperial Diet, and the work at this end of the line is to be begun at once (April, 1899). Takow is to be the southern terminus of the main line, and it is intended to construct a branch line from Tainan to Anping.

Health of the port.

There was a slight epidemic of bubonic plague in Tainan lasting from the middle of May to the end of July. According to official returns 98 cases occurred, of which 57 terminated fatally.

Apart from this, the general health of the port throughout the year was good.

The figures given in Tables I and II appended to this report are based on the returns of the Imperial Japanese Customs, and I am indebted to the customs authorities at this port for kindly placing these statistics at my disposal. I am also indebted to Mr. A. W. Bain of this port for much information concerning its export trade during the past year.

Table I.—RETURN of Principal Articles of Import into Tainan during the Years 1898-97.

Articles.		1898.		1897.	
		Quantity.	Value.	Quantity.	Value.
			£		£
Foreign goods—					
Cotton goods—					
Grey shirtings ...	Yards ...	800,670	6,248	716,144	5,699
White shirtings...	" ...	514,523	6,592	461,700	5,579
T-cloths ...	" ...	71,740	463	140,490	874
Miscellaneous ...	" ...	...	4,062	...	4,049
Woollen goods—					
Camlets, English ...	Yards ...	167,789	4,301	148,080	3,875
Lastings, plain ...	" ...	49,020	1,803	52,200	2,332
Spanish stripes ...	" ...	1,297	90	863	56
Miscellaneous ...	" ...	...	983	...	1,064
Blankets ...	Lbs. ...	3,583	673	15,244	1,017
Metals, miscellaneous	" ...	...	4,487	...	3,535
Kerosene—					
American ...	Gallons ...	644,685	10,270	352,310	7,549
Russian ...	" ...	600	14	10,520	246
Sumatran ...	" ...	349,420	6,842	410,035	9,023
Ginseng ...	Cwts. ...	51	2,001	62	2,331
Flour ...	" ...	18,249	8,809	11,385	5,057
Matches ...	Gross ...	163,735	7,530	102,790	4,644
Beer ...	Dozen ...	46,884	9,762	33,935	7,360
Condensed milk ...	" ...	6,469	1,607	5,535	1,390
Sundries ...	" ...	...	31,296	...	23,025
Chinese produce—					
Bags, hemp ...	Number ...	920,215	6,818	608,696	3,740
Mats for packing ...	" ...	1,163,410	4,846	1,212,405	4,446
Oil cakes ...	Cwts. ...	3,015	489	5,240	347
Joas-sticks ...	" ...	4,815	2,979	6,349	2,701
Tobacco, prepared ...	" ...	19,682	53,349	13,128	33,832
Wood poles ...	" ...	...	13,258	...	7,648
Silk piece-goods ...	Pieces ...	12,444	10,089	8,262	6,301
Cotton piece-goods ...	" ...	1,562,136	63,114	1,102,674	41,747
Silk and cotton mixtures	" ...	...	352	...	118
Linen and cotton mixtures	" ...	...	6,047	...	3,578
Grass cloths ...	" ...	...	6,804	...	2,484
Cotton, raw ...	Cwts. ...	2,689	4,356	2,333	3,941
Paper ...	" ...	...	17,254	...	14,808
Chinese liquor ...	" ...	...	2,889	...	2,498
Porcelain and earthenware	" ...	...	3,509	...	2,946
Sundries ...	" ...	...	66,997	...	57,746
Total ...	...	...	369,606	...	278,556
Re-imports ...	...	...	...	...	580
Grand total ...	...	...	369,606	...	279,136

Table II.—RETURN of Principal Articles of Export from Tainan during the Years 1898-97.

Articles.		1898.		1897.	
		Quantity.	Value.	Quantity.	Value.
Bamboo shoots	Cwts.	692	701	1,630	1,365
Camphor	"	1,143	5,017	3,946	12,625
Hemp	"	5,634	9,761	4,673	8,094
Lungan pulp	"	7,401	7,590	4,681	4,327
Lungans, dried	"	3,238	1,248	12,762	5,488
Sugar, brown	"	694,896	264,002	687,978	207,946
" white	"	98,098	60,117	82,532	45,804
Turmeric	"	24,788	8,600	19,133	5,367
Oil cakes	"	37,589	4,454	37,022	3,610
Sesamum seed	"	17,050	6,365	18,110	8,996
Rice	Tons	5,723	34,483	5,652	24,006
Pineapple fibres	Cwts.	699	1,428	736	1,437
Beans, peas, and pulse	"	15,443	5,042	4,485	1,020
Miscellaneous	"	...	5,255	...	5,121
Total ... ..		...	414,963	...	331,998
Re-exports ... ..		...	958	...	1,150
Grand total ... ..		...	415,021	...	333,149

Table III.—RETURN of all Shipping at the Port of Tainan during the Year 1898.

ENTERED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	5	3,187	43	45,293	51	48,460
German	2	894	24	24,114	26	25,008
Japanese ... ..	...	...	4	3,960	4	3,960
American	6	2,802	...	...	6	2,802
Total	13	6,863	74	73,367	87	80,230
" for the year preceding	16	5,650	72	71,815	88	77,835
Junks, Japanese	225	5,869	...	...	225	5,869
" Chinese	194	5,547	...	...	194	5,547
Grand total	432	18,279	74	73,367	506	91,646

CLEARED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	4	2,710	45	44,406	49	47,116
German	2	894	25	24,001	27	24,895
Japanese ... ..	...	...	3	3,895	3	3,895
American	6	2,802	...	...	6	2,802
Total	12	6,463	73	72,302	85	78,768
" for the year preceding	15	5,300	73	74,362	88	79,662
Junks, Japanese	237	6,491	...	...	237	6,491
" Chinese	163	5,113	...	...	163	5,113
Grand total	412	18,070	73	72,302	485	90,372

Table IV.—LIST of Taxes Levied in Tainan District on April 1, 1899.

Tax.	Amount.
Supplementary tax (land) ..	3rds of the land tax (annual tax)
House tax	15 per cent. a year on rent in Tainan, Hūzan, Kagi, Kōshun, Anping, and Takow. Other districts are divided into three classes, and a fixed sum of 1½ yen, 1 yen or 70 sen a year is payable on each house according to the classification of the district in which the house is situated
Business tax—	
Sale of goods (wholesale and retail)	From 30 sen to 1,500 yen a year, according to assessment of the business
Banking	} 1000th on capital, and 4 per cent. on rent of building (annual tax)
Insurance	
Money lending	} 1000th on annual income
Godown business	
Canal business	} 3 per cent. on annual income
Photography	
Printing	} 100th on annual income
Transport business	
Contracts for works and build- ings or labour	1000th on amount of contract
Lodging houses	} From 2 to 300 yen a year, according to assess- ment
Restaurants	
Hotels.. ..	From 2 to 200 yen a year, according to assess- ment
Lawyers	} 5 per cent. on fees
Brokers	
Middlemen	
Public enquiry business ..	
Miscellaneous taxes on—	
Bath-houses	7 and 10 yen a year, according to size
Artizans	50 sen to 5 yen a year, according to classification
Hunters (professional) ..	2 yen for the season
" (sporting)	5 yen "
Hair cutting and hair dress- ing business	1 yen a month; 50 sen a month extra for each employé
Shaving business	40 sen a month; 20 sen a month extra for each employé. (Itinerant barbers pay only half the above taxes)
Public performers (such as acrobats, jugglers, &c)	1st class, 2 yen a year; 2nd class, 1 yen a year
Actors.. ..	1st class, 3 yen; 2nd class, 2 yen; and 3rd class, 1 yen a year
Geisha*	1st class, 5 yen a month; 2nd class, 3 yen a month
Prostitutes	3 yen a month
Waitresses	1 yen 50 sen a month
Markets	Periodical, 3 to 30 yen a month. Occasional, 1 to 5 yen a day
Kōgyō and yose†	1 yen a day
Places of amusement ..	2 yen a month
Ships, steam	30 yen a year on every 100 tons
" sailing	10 yen "
Junks	80 sen to 4 yen a year, according to size
Bamboo rafts	40 sen to 2 yen " "

* Geisha: singing and dancing girls.

† Kōgyō: getting up public entertainments. Yose: a house where public entertainments, such as story-telling, jugglery, music, &c., are given.

LIST of Taxes Levied in Tainan District on April 1, 1899—
continued.

Tax.		Amount.
Vehicles (horse carriage)	..	With 2 horses or more, 4 yen a year; 1 horse, 3 yen a year
„ (jinrikisha)	..	2 yen a year
„ (buffalo carts)	..	2 yen „
„ (goods wagon)	..	1 yen „
Kago (chairs)	..	2 yen „
Butchers	..	15 sen a head for goats; 30 sen for pigs; 1 yen 50 sen for oxen
Fishermen	..	50 sen a year for each man

NOTE.—1 yen = 2s. $\frac{1}{10}$ d. 100 sen = 1 yen.

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J A P A N .

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ON THE

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CONTENTS.

	PAGE
Total foreign trade, decrease	3
Decrease in imports	3
Increase in exports.....	4
Opium and opium smokers	4
Kerosene oil	5
Camphor mon poly	5
„ oil, Kiusiu camphor	6
Sugar export to North China.....	7
„ Japan and to China and Hong-Kong	7
Iron crushers	9
Projected sugar mill company, prospectus	9
Opening for foreign capital and sale of machinery	11
Rice	12
Other imports.....	12
Cotton and woollen goods.....	13
Flour, matches, beer, condensed milk.....	13
Other exports	14
New ports opened	14
Shipping, tonnage dues	13
Subsidies to Japanese steamship companies ..	15
Junks, increase in, reason of.....	16
Wreck of British vessel	17
Mariners cautioned	17
Anping Light, Fisher Island Light, New Light	17
Government railway	17
Proposed harbour works	18
Other public works.....	18
Formosa Bank.....	18
Population	19
Foreign firms	19

Reference to previous Report, Annual Series No. 2341.

Report on the Trade of the Consular District of Tainan (South Formosa) for the Year 1899

By MR. CONSUL KENNY.

(Received at Foreign Office, November 8, 1900.)

Owing to full returns of the foreign trade of this district not being available, and to the absence of customs statistics showing the import and export trade with Japan during the past year, the tables attached to this report are necessarily somewhat incomplete as a record of the total trade of the district. The customs authorities, however, have courteously supplied all the information in their possession, and an approximate return of the export of sugar to Japan obtained from the shipping offices has been included in the Tables, which may, therefore, be regarded as sufficiently accurate for purposes of comparison with the tables of the preceding year.

The total foreign trade during 1899 amounted to 742,940*l.*, being a decrease of 40,729*l.* from that of the previous year. The decrease was in imports only, the exports showing a slight increase. The following table shows the figures for the two years :—

				Value.		
				1899.	1898.	Increase or Decrease.
				£	£	£
Imports	..	..	..	819,808	369,606	- 49,798
Exports	..	..	..	423,132	414,063	+ 9,069
Total	..	..	..	742,940	783,669	- 40,729

The decrease in imports from abroad is due solely to the new and higher tariff applied to Formosa on January 1, 1899, under which such articles as tobacco, beer, hemp bags, silk piece-goods, and matches are being gradually supplanted by the duty-free Japanese products. The sales of these articles during the year were largely from stocks accumulated before the introduction of the tariff.

Increase in
exports.

The slight increase in imports is attributable to the fact that the natives are applying themselves more and more to the raising of rice, lungans, and other paying crops, to the neglect of sugar production, which is comparatively hampered by excessive taxation and stringent regulations.

The following comparative table shows the fluctuations in the staple foreign imports and exports of this district since 1894. The returns for 1895 are omitted, as the values for that year are not obtainable:—

	Value.				
	1894.	1896.	1897.	1898.	1899.
	£	£	£	£	£
IMPORTS.					
Opium	190,212	65,424	..	..	..
Kerosene oil ..	15,048	12,853	16,818	17,126	29,787
EXPORTS.					
Camphor {	43,979	44,898	12,525	5,017	2,979
	(13,971 cwts.)	(8,007 cwts.)	(3,946 cwts.)	(1,143 cwts.)	(855 cwts.)
Sugar	316,328	252,765	253,750	324,119	305,408
Total ..	574,562	875,980	283,093	346,262	333,169

These figures show a decrease of nearly 2,000,000 dol. in the foreign trade of this district during the year following the Japanese occupation of the island, and a decrease of nearly 2,500,000 dol. during 1899 as compared with 1894.

Opium. Opium, as appears by the above table, has ceased to be imported into this district since 1897, when the Formosan Government-General established a monopoly, and started an opium factory in the north of the island. Up to that year the import of opium, so far as the open ports of this district are concerned, was altogether in the hands of foreign (British and German) merchants, and formed one of their largest sources of revenue. Since then the import of opium into the southern open ports has been strictly prohibited, and has been confined to the northern open ports only, and the import for the whole island has been placed in the hands of an outside foreign firm. Beyond receiving a fair price, as mentioned in the Report for 1896, for the surplus stocks on hand at the time of the establishment of the monopoly, the foreign merchants here have not participated in any of the profits on the import or sale of the drug since 1897.

The total opium monopoly receipts for the year 1900 are estimated at 3,954,652 yen, and the expenditure at 2,931,126 yen, showing an estimated revenue to the Government-General of over 1,000,000 yen. This estimate will probably be exceeded, as the

opium returns for the financial year, from April 1, 1899, to March 31, 1900, show opium receipts at 4,219,605 yen, and a net profit of over 1,160,000 yen, and the number of licensed opium smokers is on the increase.

The number of licensed opium smokers in this district at the end of 1899 was 55,112, or 5.67 per cent. of the population, being an increase of 20,000 over the previous year. In Tainan city the percentage of licensed and secret smokers is stated to be 22.25, a proportion which would about equal the total number of male adults in the city. There are no trustworthy statistics on this point, but the habit would appear to be spreading. One of the reasons given for the larger number of licensed smokers, as compared with previous years, is that many confirmed smokers who have hitherto smoked in secret are now compelled by the stricter surveillance over smokers and smuggling to take out a license and smoke official opium.

Number of
opium
smokers.
Increase.

Reason.

There was a large import of American kerosene oil during the year, and the low prices at which importers were authorised to sell enabled the natives to purchase freely. Towards the end of the year rates advanced in sympathy with the producing markets, and sales consequently became restricted. The common native oil is now very little used, being unable to compete with the refined product, and Russian and Sumatran oil have entirely disappeared from the market.

Kerosene oil.
Import.

As the table which I have given shows, the export of camphor from this district rapidly decreased after the Japanese occupation of the island, and it ceased entirely from June 22 last year, when the Formosan Government-General issued an ordinance establishing a camphor and camphor oil monopoly. Up to that date, 855 cwts., valued at 2,979%, were exported from this district by Chinese and Japanese, who, it is presumed, must have purchased the camphor from stills erected by foreign capital up country, or from Chinese to whom foreigners had already advanced money for the manufacture and purchase of camphor. There were no deliveries during the year to foreign merchants, who thus for the first time had no share in a business originated and entirely developed in South Formosa by themselves.

Camphor
export.
Decrease.
Monopoly.

The reason of this apparent apathy on the part of foreigners is that they had already invested large sums in camphor for which no return had been made, and that it had become too risky to advance or invest further capital in the business owing to various causes mentioned in previous reports, of which the persistent interference and obstruction of local officials was the principal.

All the camphor produced in the island during the remainder of the year, from June 22 to December 31, was purchased by the Government-General, under the Camphor Monopoly Regulations, at the prices stated below; but none was exported until after March 24, this year (1900), when the monopoly of the export of camphor from the island was disposed of by tender to the foreign firm which had already obtained the monopoly of the import of

(694)

opium. The total amount of crude camphor produced in the island and purchased by the Government, from June 22 to December 31, was about 10,000 piculs (11,900 cwts.), and the prices paid to the camphor workers in the various districts were as follows:—

District.	Per Picul.		
	1st Class.	2nd Class.	3rd Class.
	Yen sen.	Yen sen	Yen sen
Taihoku Camphor Office ..	30 0	27 0	24 30
Shinchiku ..	29 0	26 10	23 50
Byoritsu ..	27 50	24 80	22 30
Taichū ..	26 0	23 40	21 10
Kinkipō ..	22 0	19 80	17 80
Katō ..	27 50	24 80	22 30

or an average of 24 yen 40 sen per picul (133½ lbs.).

These prices do not include cost of transport to the camphor factory at Taihoku, where the crude camphor is put through a cleansing and pressing process, and sold to the purchaser of the monopoly at an average of 90 yen per picul. Allowing for cost of transport the difference between buying and selling price is about 60 yen per picul. The Government-General estimates its camphor monopoly receipts during this year (1900) on the basis of a yield of between 30,000 and 50,000 piculs, at 3,455,035 yen, and its expenses in connection with the purchase, transport, and manufacture of camphor, at 2,127,612 yen; thus showing an estimated profit of 1,327,423 yen. In addition, the Government-General reserves to itself the right of disposing of up to 5,000 piculs of camphor, at the same price as that paid by the purchasers of the monopoly, to buyers in Japan, for use in the country, and has also sold the monopoly of the camphor oil production of Formosa to a Japanese in the main island.

Camphor oil.

The production of camphor oil during the half-year is estimated at the maximum of 15,000 piculs, from which it is calculated that 7,500 piculs of camphor can be obtained. The purchaser of this monopoly is reported to have sold the right of refining the camphor obtained from the oil to a Japanese dealer at Kōbe, and to have given the agency for the sale of the camphor abroad to the Mitsui Bussan firm at that port.

Kiusiu
camphor.

The camphor produced at Kiusiu in Japan proper, amounting to an average of about 6,000 piculs a year, is not included in the Formosan Government-General monopoly.

Taking the mean production of Formosan camphor to be 40,000 piculs a year—and it is doubtful whether the island will produce so much—there is still available for use in Japan or export abroad, independently of the monopoly, camphor to the extent of about 18,000 piculs a year.

Camphor
forests.

The camphor forests are situated in the territory of the

aborigines on the eastern side of the island, principally in the north-eastern and central districts, and are, practically, outside the control of the Government. Their area is vaguely computed at between 2,000,000 and 3,000,000 acres, but this is merely Area. guess-work, as the country has never been surveyed, owing to difficulty of access and the hostility of the numerous tribes inhabiting it. The monopoly was established with the object of protecting the forests which, it was said, were being wantonly destroyed by wasteful cutting; but its effect will, probably, be to accelerate their destruction. Steps, however, are being taken towards afforestation along the borders of the savage territory where the stills are situated.

It is estimated that the foreign trade of this port suffers a loss, through the establishment of the opium and camphor monopolies, of over 3,000,000 dol. a year, taking the estimates for this year alone, and the foreign merchants are deprived of a profit of 20 per cent. on that amount.

For the information of those at home interested in the camphor business, a translation of the Camphor Monopoly Tender Regulations, together with some particulars of the contract between the Formosan Government-General and the purchasers of the monopoly are appended.

The sugar season was a fairly good one, as although the sugar Sugar. production was much below the average, the prices obtained were unprecedentedly high. The reasons assigned for the decrease in production are, firstly, that owing to the occurrence of rain at transplanting time, and typhoons at a critical stage of the sugar's growth, much of the cane was destroyed; and, secondly, that owing to heavy taxation of this industry, the natives find it more profitable to turn their attention to other industries, notably the cultivation of cereals. The large demand for coolies for the construction of the Government railway between Tainan and Takow may also account, to some extent, for the shortness of the crop.

The total export of sugar amounted to 692,622 cwts., valued Total export. at 305,403*l.*, being a decrease from the previous year of 100,361 cwts. in quantity, and 18,716*l.* in value, of which 99,480 cwts. at 15,625*l.* and 881 cwts. at 3,091*l.* represent the decreases in brown Decrease. and white sugar respectively.

About half the sugar export trade to Japan passed through the hands of foreign merchants at this port, the remainder being in the hands of Chinese merchants. Freights to Japan during Freights. the year by foreign steamers averaged about 25 c. a bag; but during the present year, Japanese steamers have been enabled, by means of subsidies from the Formosan Government-General, to reduce freights to 17 c. a bag, and have thus succeeded in obtaining this carrying trade, foreign vessels not being able to compete at that rate.

The export of sugar to North China (Ningpo and Tientsin) Export to North China. is carried on, as in previous years, exclusively by Chinese merchants, who combine with the sugar guilds in North China to shut out foreigners from the trade. The following table gives approxi- Export to Japan, and

to China and Hong-Kong. mately the amount of sugar exported from this port to Japan and to China and Hong-Kong respectively, during the year 1899 :—

Kind of Sugar.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Brown sugar ...	Cwts. 256,916	£ 110,930	Cwts. 329,489	£ 137,447	Cwts. 586,405	£ 248,377
White „ ...	27,953	16,410	69,264	40,610	97,217	57,026
Total ...	293,869	127,340	398,753	178,063	692,622	305,403

Compared with 1898.

Compared with the export during the year 1898, the above table shows increases and decreases as follows :—

Kind of Sugar.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Brown sugar ...	Cwts. - 126,313	£ - 33,278	Cwts. + 26,433	£ + 17,553	Cwts. - 99,880	£ - 15,625
White „ ...	+ 24,793	+ 14,168	- 25,674	- 17,279	- 881	- 3,111
Increase or decrease ...	- 101,520	- 19,090	+ 1,159	+ 274	- 100,361	- 18,716

Increased exports of white and Tainan brown sugar to Japan.
Causes.

There was a marked increase in the export of white and the better grade of Tainan brown sugar to Japan during 1899, and the trade promises well for the future. In former years, "ordinary" Takow brown was almost the only kind exported to Japan, white and Tainan brown going to China and Hong-Kong; but of late years, owing to the acquisition of a more educated taste, there has been a continuously increasing demand in Japan, at higher prices, for the better grades of sugar.

Another reason for the increase in the export of white sugar to Japan is that the export duty of 21 sen per picul was levied by the Formosan Government on sugar shipped from Formosa to foreign countries after July 17 last year. The export duty is remitted in the case of exports to Japan, and no import duty is levied on sugar imported from Formosa. A further stimulus to the trade with Japan is the reduced rates at which the subsidised Japanese Steamship Company offers to take freights.

Prices.
"Ordinary" brown.

The market for Takow "ordinary" brown sugar opened at 4 dol. 15 c. per picul, and rose to 4 dol. 45 c. in March, purchases towards the close of the season being made at 4 dol. 20 c. In former days it was quite a rare occurrence for merchants to pay more than 2 dol. 50 c. per picul; so that Formosan sugar may be said to have advanced at least 75 per cent. since the Japanese occupation. This rise in the cost of production is attributable largely to increased taxation.

Superior brown.

Prices for the superior grade of brown sugar opened at 4 dol. 70 c. and rose to 5 dol. 15 c. at the height of the season, but declined to 4 dol. 25 c. towards the end. The quality of the sugar was somewhat better on the whole than that of the previous year.

The "ordinary" brown referred to above is being gradually supplanted by a higher grade known as "Tiongtau," which commands from 60 to 80 c. per picul more than the inferior sugar, and it seems quite probable that the common grade, so much in favour with the Japanese in former years, will soon be altogether abandoned.

Tainan browns found ready buyers in Japan, and continue to grow in favour with the Yokohama and Kobé markets. Tainan brown.

As a consequence of the increasing demand for superior grades of sugar, attention is being turned towards improving the very primitive methods of crushing now employed, and turning out a cleaner and higher grade sugar. As a first step in this direction four iron mills (crushers) were introduced during the year to replace old stone crushers, but as the same motive power (bullocks) is used as before, this improvement is limited only to the extraction of a larger percentage of juice, and the quality of the sugar produced remains much the same. Iron crushers.

The next step will be the introduction of regular sugar mills, and a Japanese joint stock company, composed of some capitalists in Japan, has already been projected and will probably start a 3-roller mill in this district towards the end of the year. The proposed capital of the company is 500,000 yen, and it has been promised an annual subsidy from the Formosan Government-General of up to 30,000 yen. The prospectus of this company, as translated from a Japanese newspaper, gives the estimated profits of the undertaking as follows:— Projected sugar mill company.

PROSPECTUS.

Prospectus.

INSTALLATION EXPENSES.

						Amount.
						Yen.
Cost of sugar mill and machinery	..	..	..	..	..	313,000
Cost of buildings	..	..	..	..	..	97,000
Purchase of land..	..	..	..	..	..	16,670
Cost of transport of materials	..	..	..	..	..	43,330
Total installation expenses	..	..	..	..	..	500,000

ESTIMATED RECEIPTS.

						Amount.
						Yen.
Sale of 2,400 tons of sugar, namely:—						
1,200	tons of No. 1 sugar at 112.56 yen per ton	..	..	..	..	135,072
360	" No. 2 " 100.80 "	..	..	..	..	36,288
240	" No. 3 " 75.60 "	..	..	..	..	18,144
600	" molasses at 25.20 yen per ton	..	..	..	..	15,120
						204,624
Subsidy from Formosan Government-General						30,000
Total estimated receipts						234,624

ESTIMATED EXPENSES.

	Amount.
	Yen.
Price of 2,400 tons of cane at 4 03½ yen per ton	96,768
Sugar manufacture tax at 30 sen per 120 Japanese lbs. ..	9,677.60
Manufacturing expenses for 120 days.. ..	10,902
Price of bags (20,700, holding 150* Japanese lbs. each at 8 sen per bag).. ..	1,656
Officers' salaries (600 yen a month)	7,200
Travelling expenses to and from mill of:—	
23 mechanics and workmen at 100 yen .. = 2,300 yen	} 3,250
13 officers at 150 yen.. .. = 1,950 yen	
Telegrams and postage	500
Other expenses	1,200
Interest on 100,000 yen, borrowed for 4 months towards above expenses, at the rate of 10 per cent. per annum ..	3,333.33
	134,486.93
Repayment of cost of machinery, buildings, and transport..	40,910
Office expenses	500
Gratuities	3,500
Total estimated expenses	179,396.93

ESTIMATED PROFIT.

						Amount.
						Yen.
Total revenue	..	..	..	..	..	234,624
" expenses	..	..	..	..	..	179,396.93
Net profit..	..	..	..	..	..	55,227.07

* A Japanese lb. equals about 1½ lbs. English.

DIVIDEND.

						Amount.
						Yen.
Reserve of profit held as required by law (5 per cent.)	..					2,762
Dividend at the rate of 11.045 per cent.	..	..	..	..	..	52,465.93
Total	..	..	..	..	..	55,227.93

There would seem to be openings for the investment of foreign capital on a large scale in the sugar industry in South Formosa, and afterwards for the sale of sugar mills, centrifugals, crushers, and sugar machinery generally. The one must necessarily precede the other, especially in the case of a country like this, where the natives are averse to taking new departures of themselves, and could not possibly be persuaded to buy expensive machinery, with the use of which they are altogether unacquainted. They will remain quite satisfied with their own antiquated crushing and boiling methods until an object lesson, constantly before their eyes, gradually convinces them of the comparative cheapness of the new machinery, and the better results obtained in quality and price of sugar. The introduction of foreign methods is, therefore, an indispensable preliminary to the introduction and sale of machinery, and some of the conditions under which capital would be invested might be stated under the headings of inducements and drawbacks shortly as follows:—

(a) Land may now be acquired in Formosa under 100 years' lease, and the lease may be registered in the Japanese district court. Inducements.

(b) The soil in South Formosa is, admittedly, amongst the finest sugar-producing soils in the world, and ought to yield, under scientific cultivation and without much fertilisation, as much as the best Hawaiian soils, or, say, 10 tons to the acre.

(c) Labour is cheap and comparatively skilled. The rate of remuneration on plantations at present would not amount to more than 6 or 7 dol. (silver), a month's wages. It would obviate the most serious drawback, namely, the difficulty of overcoming Chinese prejudices, and ensure a cheap and constant supply of labour if the sub-tenants and labourers on any sugar-bearing land that might be leased were left undisturbed and given, with the owners and lessors, an interest in the undertaking on the profit-sharing system. The lessees would then be in a position to introduce new cane and methods of cultivation and establish sugar mills with the full support of the natives and without much risk.

(d) There is a large and increasing market for sugar quite close, both in China and Japan; transport and rates of freight are cheap, and prices are advancing yearly.

(a) The prejudices of the natives, which might be overcome, as suggested above. Drawbacks.

(b) The opposition of a few powerful Chinese merchants who

have gained control of half the sugar production of Formosa, through advancing money for the purchase of the year's crop at usurious rates of interest, thus keeping the producers in their debt and power.

(c) The smallness of lots of land near the coast, and the consequent difficulty of leasing a large continuous tract of land from the numerous owners. Large tracts, however, owned by one or only a few persons, are said to be available in the interior.

(d) The tendency of the Formosan Government-General to grant subsidies to Japanese companies. In view, however, of the increased inland duty which would be derived from the larger production of sugar, and the admitted need of independent outside capital to develop the resources of the island, it is not unreasonable to expect that the Formosan Government-General would grant equal or special facilities to a foreign company offering to invest capital under the above conditions.

(e) Export duties of 21 and 15 sen per picul respectively, on white and brown sugar shipped from Formosa abroad, but, as all export duties have been abolished in Japan, it is hoped that these export duties will also be abolished in Formosa.

Rice.

The export of Formosan rice to China has been gradually increasing for the past five years, the figures for last year being 8,012 tons valued at 46,249*l.*, as against 5,723 tons valued at 34,483*l.* for the preceding year. The export of Formosan rice to Japan is small, as its coarse grain and peculiar taste does not find favour with the Japanese. In fact, it may be said that all Japanese living in Formosa who can afford it import their rice from Japan. The figures on either side are not ascertainable, as they are not included in the customs returns. The total production in this Consular district during 1899 was about 43,000 tons, which is a normal crop.

Other imports. Decrease.

The total imports, other than from Japan, show a falling-off from the previous year of 49,798*l.*, which, in the absence of other figures, may be taken to be the extent to which duty-free imports from Japan have supplanted imports under the new tariff from abroad during the year. The principal articles showing decreased values are:—Grey shirtings (1,181*l.*), miscellaneous cotton goods (3,297*l.*), miscellaneous woollen goods (1,749*l.*), matches (4,655*l.*), beer (9,696*l.*), hemp bags (3,970*l.*), prepared tobacco (23,500*l.*), silk goods (8,676*l.*), and cotton piece-goods (23,472*l.*).

Reason.

These items of decrease are due to the increased tariff put into force on January 1, 1899, which handicaps imports from abroad in favour of duty-free goods imported from Japan.

The following table shows the increase and decrease in the value of the chief articles of foreign origin, other than Chinese, imported during 1899, as compared with the previous year:—

Articles.	Value.		
	1899.	1898.	Increase or Decrease.
	£	£	£
Cotton goods	13,424	17,365	- 3,941
Woollen goods	6,333	7,853	- 1,520
Metals	4,404	4,487	- 83
Kerosene	29,787	17,126	+ 12,661
Flour	10,143	8,399	+ 1,744
Matches.. .. .	2,875	7,530	- 4,655
Beer	66	9,762	- 9,696
Condensed milk	1,693	1,607	+ 86

With the exception of the import of kerosene oil, the foreign import trade of the district is almost entirely in the hands of Chinese merchants. Formerly, German beer and matches were the principal other articles imported by foreign merchants, but these have now given way under the new tariff to articles of Japanese make.

The import of foreign piece-goods, both cotton and woollen, into South Formosa is decreasing year by year. The trade, as mentioned in a previous report, is largely in the hands of Chinese, who, knowing the wants and tastes of their customers, are able to supply them at cheap rates by buying refuse goods, wholesale or at auction, in Hong-Kong or elsewhere, a kind of business that is not profitable for the foreign merchant to undertake.

China furnished during the year cotton piece-goods of native manufacture to the value of nearly 40,000*l.*, being a decrease of over 23,000*l.*

Japanese imports of cheap fancy cotton prints and woollen and crêpe stuffs, favoured by the new tariff, are formidable competitors to both English and Chinese imports, and Japanese merchants hope with increased care to capture the whole market for these goods.

Flour shows a slight increase, corresponding generally to the increase in the immigration of Japanese, who are the principal consumers. American flour is almost the only kind imported.

The import of matches, according to the customs returns, shows a large decrease from 153,755 gross, valued at 7,530*l.* in 1898, to 58,992 gross, valued at 2,875*l.*, last year. The decrease, however, is not real, as nearly all the matches imported into this district continue, as heretofore, to be manufactured in Japan to the order of Chinese, and there are no manufactories here. The explanation is probably that matches are now labelled "made in Japan," and being admitted free of duty are not included in the customs returns.

German beer practically disappeared from the list of imports with the appearance of the new tariff, and Japanese beers, brewed like German, have now sole possession of the market.

Condensed milk.

The use of condensed milk is increasing, and the import from abroad will increase, as this article is not made in Japan. Anglo-Swiss and American are the only brands now sold, the German brand, formerly so much in use, having fallen into disfavour, owing to its inferior keeping power. Particular attention should be paid to supplying a cheap but, withal, pure milk, which will keep in this climate (sub-tropical) a long time after the tin has been opened.

Other exports.

The total exports show an increase of 9,069*l.*, from 414,063*l.* in 1898 to 423,132*l.* in 1899. Sugar, camphor, and sesamum seed show decreased quantities and values, but most other articles exported to China, such as rice, oil-cake, turmeric, dried lungans, and hemp show increases.

New ports opened.

Besides Anping and Takow, the following four ports in this district were opened to foreign trade (junks only) last year: Tōkō (Tangkang), Tōseki (Tangchū), Makyu (Makung), in the Pescadores, and Kakoko.

Toko.

Tōkō is on the southern side of the mouth of the Tangkang river, about 13 miles south of Takow. The anchorage in the river will admit only vessels of less than 8 feet draught. Other vessels must anchor in the roadstead. Its exports are rice (chiefly), sesamum seeds, hides, and oil-cakes; and imports, kerosene oil and Chinese cotton piece-goods.

Tōseki.

Tōseki is at the mouth of the River Nintiao, 25 miles north of Tainan. The harbour is only available for vessels of not more than 7 feet draught, others have to lie outside the bar. The principal articles of export are brown sugar, rice, dried lungans, oil-cakes, and sesamum seeds, and the imports include Chinese cotton piece-goods, kerosene oil, and cut tobacco.

Makyu.

Makyu, in the Pescadores, has a good harbour, and the trade, though small, is increasing. It is a useful port of refuge for ships which in rough weather are unable to lie off the coast around Anping. Its exports are ground-nuts and oil-cakes; and imports, cut tobacco, cotton piece-goods, Chinese paper, and kerosene oil.

Kakoko.

Kakoko is a small port with a shallow river harbour and bar to the north of Tōseki. The principal imports are cotton piece-goods and grass cloth, and exports are brown sugar, dried lungans, and oil-cakes.

The following table shows the total value of the imports and exports of the above ports and Takow during 1899:—

Port.	Value.		
	Imports.	Exports.	Total.
	£	£	£
Tōkō	10,422	9,947	20,369
Tōseki	20,522	19,695	40,217
Makyu	30,788	8,824	39,612
Kakoko	11,426	1,313	12,739
Takow	27,642	23,061	50,703
Total	100,800	62,840	163,640

and Table IV at the end of this report shows the value of the principal articles of import and export during the year.

The shipping entered from foreign countries during 1899 Shipping. shows a decrease from that of 1898 by 14 vessels and 11,658 tons, Decrease of which the decrease in British shipping was four vessels and from abroad. 2,438 tons, and in German shipping two vessels and 3,540 tons.

The shipping entered from Japan shows an increase con- Increase from siderably larger than the above figures, owing to the falling-off in Japan. foreign and the increase in Japanese imports and exports, which Reason. latter are carried mostly in Japanese bottoms.

Vessels of foreign build which make voyages to and from Tonnage dues. foreign countries for purposes of foreign trade are charged tonnage dues, both in Formosa and Japan, on each occasion of entry at the rate of 5 sen per ton of their registered tonnage, but in Japan, by a single payment of 15 sen per ton, such vessels are entitled to enter free for the rest of the year. For some reason this latter provision has not been applied to Formosa, and foreign shipping entering Formosan ports is thus placed at a disadvantage compared with shipping entering ports in Japan proper. The difference in the case of the regular British steamer plying between this port and Hong-Kong (viâ Amoy and Swatow) amounts to over 1,000 dol. a year.

The Formosan Government-General is granting subsidies this Subsidies to year (1900) to the Formosan and China coast lines of the Osaka Japanese Shosen Kwaisha (Osaka Commercial Steamship Company) of steamship companies. 800,000 yen, with the object, according to the ordinance granting Osaka Shosen the subsidies, of securing facilities for transport and communica- Kwaisha. tion between Formosa and places in South China. The routes prescribed to the Company and the amounts of the subsidies are as follows:—

Line.	Route.	Subsidy.	Remarks.
		Yen.	
1	From Tamsui to Hong-Kong, via Amoy and Swatow	123,000	Four return voyages every month from April to September, and three return voyages every month from October to March.
2	From Anping to Hong-Kong, via Amoy and Swatow	60,000	Two return voyages every month. Line opened April 1, 1900
3	From Tamsui to Foochow, via Amoy	35,000	Three return voyages every month
4	From Foochow to Sam-to-u (三都澳), and from Foochow to Hengwha (興化).	7,860	Four return voyages every month; but on the return voyage from Foochow to Tamsui Amoy need not be visited
The three lines mentioned in 3 and 4 will be opened on October 1, 1900.			
The balance of the subsidy, 574,140 yen, is distributed as follows:—			
5	From Kelung to Kōbé, via Moji	78,000	Two voyages a month
6	From Kelung to Kōbé, via Moji and Ujua	170,000	Three voyages a month
7	From Kelung to Kōbé, via Ishigaki and Kagashima	75,000	Two voyages a month
8	From Kelung to Anping, via Takow, around the east coast of Formosa per year	155,000	For every two voyages 50,000 yen
9	From Kelung to Takow, via Pescadores and Anping, and back by east coast	40,740	Two voyages a month
10	From Tamsui to Tokaku, in Formosa	5,000	Four voyages a month; or three or two, according to season
11	From Kelung to Kōbé, via Moji	50,400	Two return voyages a month. Subsidy granted to Nippon Yusen Kwaisha (Japan Steamship Company)

In addition to the above subsidies, the Central Government grants this year a direct subsidy to the same companies of 800,000 yen, namely 250,000 yen to the Osaka Shosen Kwaisha, and 550,000 yen to the Nippon Yusen Kwaisha, for their Yang-tse Kiang and North China lines.

Nippon
Yusen
Kwaisha.
Junks.
Increase.

Japanese (native) junks, to the number of 497, of 13,939 tons, and Chinese junks, to the number of 194, of 5,547 tons, entered this port during the year, being a large increase in the case of Japanese junks, of 252 vessels, of 8,070 tons, and a slight decrease in the case of Chinese junks, of 34 vessels, of 1,033 tons, as compared with 1898.

Reason.

One reason assigned for the increase in the number of Japanese (native) junks is that many Chinese-owned junks from the opposite coast, for convenience of trading with this district, have obtained a Japanese register, which enables them to enter unopened ports in Formosa. Flying the Chinese flag, their visits

would be confined to the open ports, where they are subjected to a strict customs search, which they escape, to some extent, especially at the outports, when flying the Japanese flag. On returning to China they either fly the Chinese flag or no flag at all, in which latter case they are presumed to be Chinese-owned (as in fact they are) and are allowed to enter unopened ports in China. Should trouble occur with Chinese officials, the Formosan register is produced and the protection of the Japanese Consul is sought. The principal advantage gained by junks of this double nationality over steamers and other junks is that they thus save the cost of transshipping inward cargo from treaty ports to outports, and vice versa, in the case of outward cargo. Bonâ fide owned and registered Formosan junks gain similar advantages on the Chinese coast, where, flying no flag at all, they enter unopened ports as Chinese junks and benefit accordingly.

A British vessel (barque "Velocity" of Shanghai) was wrecked on the coast about 12 miles to the north of this port in December last. The causes of the casualty were, that sufficient allowance was not made for the set of the current, and that a light on the coast was mistaken for the Anping light. Wreck of British vessel.

Mariners are cautioned against the new shoals which are forming along the west coast of this island, and which are not marked in even the latest charts. The land is gaining so rapidly on the sea all along the coast that many places which were deep water only a few years ago are now shoal. A wide berth should, therefore, be given to the coast until the Anping light is breasted. Care should also be taken to guard against the exceptionally strong set of the current towards the coast at unexpected times, and a general allowance of at least 2 miles an hour should be made for the set at all times. Mariners cautioned

The Anping light is a fixed light visible for 10 miles, but with no distinctive feature, and is easily mistaken for a junk's or other vessel's light. Its height is 37 feet above the sea. To be of real service it should be four or five times that height, and have a range of at least 20 miles, and to make it easily recognisable from vessel's lights it should be of the flashing or revolving order. Anping light.

The light on Fisher Island in the Pescadores—a most important one for navigators bound for this coast—is frequently obscured by sand being blown past it from the surface of the island in the north-east monsoons. Its range of visibility is given as 15 miles, but as it is a light of small power, and the tower is not high enough to carry the light above the sand drift, it frequently happens that vessels come as close as 5 miles before being able to sight it. Fisher Island light.

Both the above lights were erected by the Chinese Government in 1875.

An appropriation has been made this year for the erection, on the North Island of the Pescadores, of a new fixed light of a high order with a range of visibility of 20 miles. New light.

The construction of the through railway from Takow viâ Tainan and Kagee to Taipeh was begun during last year, and the

(694)

B

Cost and
period of
construction.

section between Takow and Tainan (35 miles) will probably be completed before the end of this year. The estimated cost of the work is put down at 28,800,000 yen, and the period of construction at 10 years. The money is to be raised yearly at the rate of between 2,500,000 yen and 3,500,000 yen, by means of Formosan Government-General Industrial Public Loan Bonds. It is calculated, however, that the work will cost 50 per cent. more than the above estimate, and that it can be completed within seven years if the money is forthcoming.

Proposed
harbour
works at
Takow and
Anping.

It is proposed to improve the Takow harbour by widening and deepening the entrance and dredging the lagoon, so as to allow of the entry and anchorage of vessels up to 2,000 tons or more, and, further, by cutting a canal through the narrow strip of land separating the lagoon from the sea, to provide another entrance, and facilitate dredging operations. The cost is estimated at about 5,000,000 yen, and the scheme has been submitted to the Central Government for its approval. It is probable that an appropriation may be made, and that the works may be commenced next year.

It is also proposed to deepen the present canal between the port of Anping and the city of Tainan—a distance of 3 miles—to at least 6 feet, and to erect a sluice at the mouth inside which junks may anchor.

Other public
works.

Including the above, the following public works are now in progress or contemplated:—The railway from south to north (28,800,000 yen from 1899 to 1908); a cross railway from east to west in the south central district; harbour works at Takow; dredging works at Anping; waterworks at Takow; lighthouses (106,667 yen, North Island, Pescadores); and telegraphs (124,744 yen). The figures given are taken from the Formosan Budget Estimates of this year (1900–01), and most of the contracts for the year have already been disposed of.

Contracts for material for public works are open, in Formosa as in Japan, to public tender, on the usual conditions. Foreign manufacturers desirous of obtaining Formosan Government-General orders for the supply of material should appoint an agent here to obtain early information of proposed new works, and to push their interests, and should furnish him with plans, specifications, and prices, so as to place him in a position to put in a complete tender at short notice.

Tainan
Finkō
(Formosa
Bank).

The Formosa Bank was established in Formosa by Government ordinance in 1897, but only began business in October last year. It is granted the privilege of issuing convertible silver yen notes which may be tendered for official payment in Formosa at the bank fixed rate of exchange which was 94 up to March 31 this year. The rate is changed every four months, and has been fixed at 95 from April 1 this year. The authorised capital is 5,000,000 yen, of which 1,250,000 yen has been paid up, and, in addition, the Home Government have taken 2,000,000 yen in shares without interest or dividend for five years. The objects for which the bank was started are, besides the transaction of ordinary banking business, the management of the treasury money, namely, the

annual subsidy granted by the Home Government to the Formosan Government-General, and the revenue of the Island; the purchase or negotiation of Formosan Government-General Industrial Public Loan Bonds, and the promotion of industries generally.

The first published report showed a profit on three months' business to December 31, 1899, of 3,549 yen; loans to the Government-General of 2,500,000 yen; and bank notes in circulation to the extent of 1,834,917 yen, as against a cash reserve of 806,093 yen. First report.

The establishment of a branch of the bank in Tainan has proved a great convenience to foreign merchants in this district. Convenience to foreign merchants. In former years it was the custom to import Mexican dollars from Hong-Kong and Amoy to pay for sugar, as the country people absolutely refused to accept any other coin, whether bank notes or clean Japanese (Government-chopped) silver yen. Of late years, however, a change has been gradually taking place, and money is now drawn from Japan and generally accepted, the bank keeping a sufficient reserve to meet the payment of bills or telegraphic transfers from their agencies at home. By this means there is also a distinct gain in exchange to the merchants. As a result of the change, the importation of treasure during the last sugar season was considerably curtailed, and it appears likely that the foreign merchant in Formosa will no longer be dependent on Amoy or Hong-Kong, but will finance directly with Japan in the future.

The population (Japanese, native, and Chinese) of this district on December 31, 1899, was 977,677, divided as follows:— Population.

Nationality.	Number of Inhabitants.	
	Males.	Females.
Chinese	177	219
Japanese	4,889	2,407
Native	526,627	443,358
Total	531,693	445,984

A return showing the occupations of the population is annexed (Table V).

More than half of the Japanese male population is composed of officials. Japanese.

Foreign residents in this district at the close of the year numbered 44, of whom 35 were British, eight Spanish, and one German. Foreign.

Of the four foreign firms (British) in the district at the end of last year, one has since closed business, but two new companies—the South Formosan Trading Company and the South Formosa Ice Company—were started during the year and registered in Hong-Kong. Firms.

APPENDIX.—CAMPHOR MONOPOLY TENDER.

Camphor
monopoly.
Contract.
Tender.

The conditions under which tenders were invited for the purchase of the Formosa camphor monopoly, and particulars of the contract between the Formosan Government-General and the successful bidders are stated below. The tenders were opened on March 24, 1900, and a contract was concluded between the Government-General and Messrs. Samuel, Samuel and Co., the successful bidders, for the purchase of between 30,000 and 50,000 piculs of camphor annually for three years, at the rate of 95 yen and 85 yen per picul for the two classes A and B, respectively, into which the camphor was divided.

Conditions.
(Translation.)

The bidder shall sell in London, Hamburg, New York, and Hong-Kong, shall show his calculations for freight, insurance, miscellaneous charges, and profits, &c., per 100 catties (about 133½ lbs.) of Class A and Class B respectively, and shall make his tender on the highest selling price per 100 catties of Class A and Class B in the above several places.

The prices at which [the camphor] is sold by the Government-General are as follows:—

						Per 100 Catties.
						Yen.
Class A	..	..	..	..	..	95
Class B	..	..	..	..	..	85

Art. 1. The camphor to be sold by the Government-General is in two classes, A and B, and is the same as the samples.

Art. 2. The quantity to be sold during one year is fixed at about 3,000,000 to 5,000,000 catties, both classes included. But the quantity for the year 1899 is fixed at about 1,500,000 catties. Particulars as to the respective quantities of the above two classes, A and B, shall be determined by the Government-General according to the state of demand and the rate of production.

In case the quantity to be sold during one year exceed 5,000,000 catties, the price at which such excess quantity shall be sold shall be determined on a further consultation with the contractor.

Art. 3. The camphor in both A and B classes shall be in the regulation Government-General packages, and shall be delivered at the camphor office at Taihoku, Formosa, at times suited to the convenience of the Government-General.

Art. 4. The contractor may not sell packages which he has examined or adulterated at his own factory, or at a factory with which he is connected.

Art. 5. The contractor shall, as far as possible, apportion, send, and sell in quantities to meet the demand in the several places in the East, Europe, and America, which are at present markets for camphor; and the Government-General, when it deems it necessary, may designate the number of catties to be sent to a particular place.

Art. 6. The contractor shall not sell and deliver the camphor to one person to the exclusion of all others. But he is not prevented from stationing sales' commissioners at certain places, and making them agents for sales for those places.

Art. 7. Where it is deemed that the Government-General monopoly is being detrimentally affected by greed of inordinate gain on the part of the contractor, or by improper action on his part in the conduct of sales, the Government-General shall give the contractor a warning, and if, after receiving the warning, he does not amend [his conduct], the contract may be cancelled at any time.

Art. 8. The period of the contract shall be three years from the date of concluding the agreement, and six months at least before the expiration of that period it shall be further decided, after consultation, whether the contract shall be renewed or not, and, if renewed, on what terms.

Art. 9. The price to be paid by the contractor shall, after the year 1900, be paid, for the months from April to September, before October 10, and, for the months from October to March, before April 10 in every year, in gold or convertible notes of the Nippon Finkó to the Gold Treasury at Taihoku.

Art. 10. As security for the price referred to in the foregoing article, the contractor shall undertake to furnish a deposit of certain National Loan Bonds,* designated by the Formosan Government-General of a face value of 1,800,000 yen.

Art. 11. The price of camphor on sale for 1899 shall be paid into the Taihoku Gold Treasury, upon the issue of notices to pay, before the delivery of the article; but payment may be deferred upon security being given in cash or National Loan Bonds.

Art. 12. Of course, whatever camphor may be required for the official use of the Imperial Government, or whatever quantity may be deemed to be necessary as raw material for manufacture in factories in the Empire of Japan, may be sold by the Formosan Government-General to other persons than the contractor at the same price as sold to him. But a sale under this article does not make any difference in the minimum number of catties fixed by Article 2.

Art. 13. As a guarantee for the performance of the contract, the contractor shall undertake to furnish a deposit of 100,000 yen in ready money or in creditable bonds to the satisfaction of the Formosan Government-General.

Art. 14. The above articles indicate the essential points for the carrying out of which a further set of rules shall be laid down at the time of concluding the contract.

Under the contract, which is drawn up generally in the terms of the above articles, the contractor, or purchaser as he is called, is bound to sell camphor in London and Hong-Kong at the following prices, plus customs duties and other public charges :—

* Formosa Industrial Public Loan Bonds. The contractor, however, elected to deposit the security in cash with the Formosa Bank at 5 per-cent. interest.

In—	Per Picul.	
	Class A.	Class B.
	Yen.	Yen.
London	107,843	99,702
Hong-Kong	102,378	94,323

No tender appears to have been made for sales in Hamburg and New York.

Table I.—RETURN of Principal Articles of Import into Tainan Reval during the Years 1899–98.

		1899.		1898.	
Articles.		Quantity.	Value.	Quantity.	Value.
			£		£
FOREIGN GOODS.					
Cotton goods—					
Grey shirtings	Yards	663,912	5,067	800,670	6,248
White shirtings... ..	"	552,129	7,129	514,523	6,592
Miscellaneous	"	...	1,228	...	4,525
Woollen goods—					
Camlets and lastings	Yards	176,417	6,333	216,800	6,104
Miscellaneous ... ..	"	...	...	...	1,749
Metals, miscellaneous	"	...	4,404	...	4,487
Kerosene	Gallons	1,121,630	29,787	994,705	17,126
Ginseng	Cwts.	48	1,710	51	2,001
Flour... ..	"	20,748	10,143	18,249	8,399
Matches	Gross	58,992	2,875	153,755	7,530
Beer	Dozen	241	66	46,884	9,763
Condensed milk	"	6,370	1,693	6,469	1,607
CHINESE PRODUCE.					
Bags, hemp	Number	434,886	2,848	930,215	6,818
Mats for packing	"	1,048,863	4,779	1,163,410	4,846
Joss-sticks	Cwts.	5,436	2,858	4,815	2,979
Tobacco, prepared	"	8,900	29,849	19,662	53,349
Timber and planks	"	...	15,847	...	13,283
Silk piece-goods	Yards	10,638	1,413	...	10,089
Cotton piece-goods	"	3,398,126	39,642	...	63,114
Silk and cotton mixtures	"	106,048	1,936	...	352
Linen and cotton mixtures	"	527,683	6,846	...	6,047
Grass cloths	Pieces	...	10,249	...	6,904
Cotton, raw... ..	Cwts.	2,489	4,447	2,689	4,356
Paper	"	...	18,594	...	17,254
Chinese liquor	"	...	2,020	...	2,889
Porcelain and earthenware	"	...	5,091	...	3,509
Sundries	"	...	103,064	...	97,782
Total ... ..	...	...	319,808	...	369,608

Table II.—RETURN of Principal Articles of Export at the Port of Tainan during the Years 1899-98.

Articles.			1899.		1898.	
			Quantity.	Value.	Quantity.	Value.
				£		£
Bamboo shoots ..	Cwts.	..	1,468	1,763	692	701
Camphor ..	..	..	855	2,979	1,143	5,017
Hemp ..	..	..	5,077	9,942	5,634	9,761
Lungan pulp ..	..	..	9,432	9,574	7,401	7,590
Lungans, dried ..	..	..	15,749	6,057	8,238	1,248
Sugar, brown ..	..	..	595,405	248,377	694,805	264,002
„ white ..	..	..	97,217	57,026	98,098	60,117
Turmeric ..	..	..	31,091	12,853	24,780	8,600
Oilcakes ..	..	..	79,354	9,759	37,589	4,454
Sesamum seed ..	..	..	7,486	8,101	17,050	6,365
Rice.. ..	Tons	..	8,012	46,249	5,723	34,483
Pineapple fibres ..	Cwts.	..	589	1,399	699	1,428
Beans, peas, and pulse ..	..	..	15,163	4,248	15,443	5,042
Miscellaneous ..	..	..	..	9,805	..	5,255
Total ..	..	..	..	423,132	..	414,063

Table III.—RETURN of all Shipping at the Port of Tainan during the Year 1899.

ENTERED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	3	1,575	44	44,447	47	46,022
German	2	894	22	20,574	24	21,468
Japanese ... ..	...	...	2	1,082	2	1,082
Total	5	2,469	68	66,103	73	68,572
„ for the year preceding ...	13	6,863	74	73,367	87	80,230
Japanese junks	477	13,939	...	...	477	13,939
Chinese „	160	4,514	...	...	160	4,514
Japanese, coastwise ...	...	...	84	143,167	84	143,167
Grand total	642	20,922	152	209,270	794	230,192

CLEARED.

Nationality.	Sailing.		Steam.		Total.	
	Number of Vessels.	Tons.	Number of Vessels.	Tons.	Number of Vessels.	Tons.
British	4	2,092	44	44,447	48	46,539
German	2	894	22	20,574	24	21,468
Japanese ... ..	...	...	1	1,445	1	1,445
Total	6	2,986	67	66,466	73	69,452
„ for the year preceding ...	12	6,466	73	72,302	85	78,768
Japanese junks	449	13,231	...	...	449	13,231
Chinese „	141	4,504	...	...	141	4,504
Japanese, coastwise ...	...	...	84	143,167	84	143,167
Grand total	606	20,721	151	209,633	747	230,354

TABLE IV.—SHOWING Value of Principal Articles of Import and Export from the New Open Ports, Toko, Toseki, Makyu, and Kakoko during the Years 1899.

PORT OF TOKO (TANGKANG).

IMPORTS.

Articles.		Quantity.	Value.
Kerosene oil	Gallons ..	52,318	£ 1,316
Cotton piece-goods (Chinese) ..	..	..	728
Cut tobacco	Cwts. ..	54	148
Flour .. ..	..	1,283	606
Chinese paper .. ..	..	..	844
Timber and boards .. ..	..	..	965
Total .. ..	..	..	4,605

EXPORTS.

Articles.		Quantity.	Value.
Rice	Tons ..	1,722	£ 9,508
Hides .. ..	..	..	185
Total .. ..	..	..	9,643

PORT OF TOSEKI.
IMPORTS.

Articles.		Quantity.	Value.
Cotton piece-goods (Chinese) ..	..	..	£ 4,491
Grass cloth .. ..	..	..	2,560
Kerosene oil	Gallons	28,735	753
Cut tobacco	Cwts. ...	88	222
Paper (Chinese) .. ..	..	..	1,434
Total .. ..	..	..	9,460

EXPORTS.

Articles.		Quantity.	Value.
Sugar, brown	Cwts. ...	28,257	£ 10,326
Rice	Tons ..	678	4,610
Lungans, dried	Cwts. ...	2,906	1,175
Sesamum seeds	" ..	225	97
Hemp	" ..	284	505
Oilcakes	" ..	7,178	738
Beans	" ..	1,938	578
Total .. ..	..	..	18,029

PORT OF MAKYU.
IMPORTS.

Articles.		Quantity.	Value.
Cotton piece-goods (Chinese) ..	..	..	£ 4,535
Cut tobacco	Cwts. ...	2,525	6,780
Kerosene oil	Gallons	29,430	791
Timber and boards .. ..	..	..	1,018
Flour	Cwts. ...	2,049	993
Paper (Chinese) .. ..	..	..	1,430
Total .. ..	..	..	15,547

EXPORTS.

Articles.		Quantity.	Value.
Sugar, brown	Cwts. ...	126	£ 48
Ground-nuts .. ..	..	..	823
Oil-cakes	Cwts. ...	22,604	3,865
Rice	Tons ..	372	1,798
Beans	Cwts. ...	2,405	596
Total	7,130

(694)

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PORT OF KAKOKO.

IMPORTS.

Articles.				Value.
				£
Cotton piece-goods (Chinese)	2,548
Paper (Chinese)	897
Timber and boards..	..	..	..	948
Grass-cloth ..	..	..	..	1,269
Porcelain and earthenware	..	..	..	392
Total	..	..	..	6,054

EXPORTS.

Articles.				Quantity.	Value.
					£
Sugar, brown	..	..	Cwts...	16,374	5,350
Lungans, dried	" ..	4,728	1,669
Oil-cakes	" ..	20,180	1,808
Rice	Tons ..	109	748
Total	9,570

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J A P A N.

SUPPLEMENTARY REPORT FOR THE YEAR 1901

ON THE

TRADE OF THE CONSULAR DISTRICT
OF TAINAN (SOUTH FORMOSA).

REFERENCE TO PREVIOUS REPORT, Annual Series No. 2796.

Presented to both Houses of Parliament by Command of His Majesty,
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CONTENTS.

	PAGE
Prefatory remarks	3
Total trade	3
Trade with Japan and foreign countries.....	3
Comparison with previous year.....	3
Increase in trade with Japan	4
„ the export trade	4
Imports—	
Cotton and woollen goods	5
Chinese and Japanese cotton piece-goods	5
Kerosene	5
Flour	5
Beer, matches and saké	5
Exports—	
Sugar—	
Export of sugar from 1892 to 1901.....	5
„ „ to Japan and China and Hong-Kong.....	6
Establishment of sugar industry bureau.....	6
Regulations for the encouragement of the sugar industry	6
Amounts appropriated for the encouragement of the sugar industry....	6
Sugar bounties.....	7
Rice	7
Salt	7
Relative shares of the ports of Anping and Takow in the trade of Tainan	7
Trade of other open ports in the district	7
Shipping—	
Subsidies to shipping companies	8
Compared with 1901, changes in routes and amounts of subsidy	8
Subsidy to a British ice company.....	9
Government railway	9
Erection of lighthouse on North Island, Pescadores	9
Rate of exchange	9

Reference to previous Report, Annual Series No. 2796.

*Supplementary Report on the Trade of the Consular District of
Tainan (South Formosa) for the Year 1901*

By MR. E. A. GRIFFITHS.

(Received at Foreign Office, October 7, 1902.)

At the time when the report on the trade of this district for the years 1900-01 (No. 2796, published in May, 1902) was written, full statistics of exports and imports for 1901 were not obtainable. A complete return of the trade of the island during last year, has now, however, been issued by the Government-General, and from it the statistics given in this supplementary report have been compiled.

The total trade of this district, comprising the two ports of Anping and Takow, during the year 1901 amounted to 857,760*l.*, of which 416,184*l.* represents exports and 441,576*l.* represents imports. These figures include exports and imports to and from Japan as well as those to and from foreign countries, the respective shares being shown in the following table:—

Country.	Value.			Trade with Japan and foreign countries.
	Exports.	Imports.	Total.	
	£	£	£	
Japan	255,953	203,627	459,580	
China	134,263	131,035	265,348	
United States of America .. .. .	..	55,286	55,286	
United Kingdom .. .. .	..	39,179	39,179	
Hong-Kong	25,968	4,169	30,137	
Other countries .. .. .	..	8,230	8,230	
Total	416,184	441,576	857,760	

The trade of 1901, compared with that of the previous year, shows an increase as regards both exports and imports.

The following comparative table gives the values for each year:—

				Value.		Increase.
				1901.	1900.	
				£	£	£
Imports	..	..	..	441,576	410,679	30,897
Exports	..	..	..	416,184	361,274	54,910
Total	..	..	..	857,760	771,953	85,807

Increase in
trade with
Japan.

As regards imports it should be noted that, although the total trade for 1901 shows an increase of 30,897*l.* in value over that for the preceding year, the value of imports from foreign countries shows a decline of over 10,000*l.*, while there has been a considerable increase, amounting in value to over 40,000*l.*, in goods brought from Japan (Table I).

The increased demand for Japanese goods is due, as pointed out in the previous report, to the fact that while a heavy tariff is levied on all goods imported from foreign countries, those coming from Japan are admitted duty free. Of the total amount of 441,576*l.*, the value of the import trade into Tainan during the year under review, Japan's share was 203,627*l.*, while that of China and other foreign countries amounted to 237,949*l.* Practically the whole of the import trade with Japan has been built up since the latter's occupation of Formosa in 1895, the amount of goods imported from Japan prior to that year being infinitesimal.

Increase in
the export
trade.

The increase in the export trade was due chiefly to a larger demand for Formosan sugar in Japan, and to the trade with China resuming its normal proportions after the troubles in that country during 1900 had subsided.

Imports.

A return of the principal articles imported into this district during the years 1900-01, is given in Table I appended to this report.

The principal articles of import from foreign countries during 1901 were kerosene oil and flour from America, cotton and woollen piece-goods, metals and condensed milk from the United Kingdom; and bags and mats (for packing sugar), tobacco, timber, paper and Chinese piece goods from China; while from Japan came provisions (salt, dried and tinned), drugs and medicines, paper, Japanese piece-goods, saké, soy, beer, timber and matches.

The increase and decrease which occurred in the value of the principal articles of foreign origin imported into Tainan during 1901, as compared with the figures for 1900, is shown in the following table:—

Articles.	Value.		Increase or Decrease.
	1901.	1900.	
	£	£	£
Cotton goods	20,969	13,212	+ 7,757
Woollen goods	4,926	4,001	+ 925
Metals	6,089	1,735	+ 4,354
Kerosene	21,143	33,041	- 11,898
Flour	9,847	8,378	+ 1,469
Condensed milk	1,648	1,700	- 52

There was a comparatively large increase in the import of cotton Cotton and piece-goods, and a small increase in that of woollen goods. woollen As goods. mentioned in previous reports, however, the trade is of little importance and is entirely in the hands of Chinese merchants, who make their purchases in Hong-Kong, chiefly at auction.

The import of Chinese cotton piece-goods in 1901 was less Chinese and than that in the previous year, while the value of Japanese piece- Japanese goods imported showed a considerable increase. cotton piece-

The features of the trade in kerosene oil during 1901 were Kerosene. fully described in the previous report on the trade of this district referred to in my prefatory remarks. The statement, however, made in the report, that a large increase in the import had probably taken place during the year, was not borne out by the figures published by the Government-General. On the contrary it appeared that a decrease of 315,520 gallons in quantity and 11,898£. in value had actually been the result of the trade of the year.

As regards the import of flour in 1901, instead of there being Flour. a slight decrease, as anticipated before the returns were published, the figures show an increase of 6,496 cwts. in quantity and 1,469£. in value.

As stated in the last report on the trade of this district, Beer, matches German beer and matches of foreign manufacture have been ousted and saké. from this market by beer brewed and matches manufactured in Japan. Both imports show a comparatively large increase in 1901 over the preceding year, beer to the value of 3,825£., and matches to the value of 2,788£.

Saké, a spirit distilled from rice, was imported from Japan to the value of 23,634£., as against 13,070£., the value of the quantity imported in 1900.

Of the total export trade of Tainan in 1901, amounting in Exports value to 416,184£., the export of sugar represented a value of (Table II). 314,365£., more than 75 per cent., the export of rice to the value of Sugar. 25,256£. figuring next on the list of exports.

As sugar is the principal product of South Formosa, and Export of represents such a very large share of the export trade, the follow- sugar from ing table, giving the amounts and values exported during each of 1892-1901. the past 10 years, may be of interest:—

Year.					Quantity.	Value.
					Cwts.	£
1892	..	..	..	..	715,607	293,999
1893	..	..	..	..	607,046	249,248
1894	..	..	..	..	875,787	316,328
1895	..	..	..	..	843,310	..
1896	..	..	..	..	713,994	252,765
1897	..	..	..	..	770,510	253,750
1898	..	..	..	..	792,983	324,119
1899	..	..	..	..	692,622	305,403
1900	..	..	..	..	492,231	263,611
1901	..	..	..	..	671,641	314,365

The value of the sugar exported in 1895 was not obtainable, owing to the frequent changes in the customs personnel during the year, consequent upon the political troubles preceding the occupation of the island by the Japanese.

The following table gives the quantity and value of sugar exported from Tainan to Japan and to China and Hong-Kong respectively during 1901 :—

Export of
sugar to
Japan and
China and
Hong-Kong

Kind of Sugar.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£	Cwts.	£
Brown sugar ...	501,640	225,657	114,257	49,359	615,897	275,016
White " ...	4,318	3,347	51,428	36,002	55,744	39,349
Total ...	505,958	229,004	165,685	85,361	671,641	314,365

The state of the crop, prices and the general features of the sugar trade of 1901 were fully described in the last report on the trade of this district.

Establish-
ment of sugar
industry
bureau.

Regulations
for the
encourage-
ment of the
sugar
industry.

Amounts
appropriated
for the
encourage-
ment of the
sugar
industry.

With reference, however, to the remarks made on page 8 of that report, regarding the proposal of the Government-General to establish a special bureau during the present year (1902) for the encouragement of the sugar industry and the management of all matters relating to sugar, it may be mentioned that such a bureau has now been established, and, in connection therewith, regulations for the encouragement of the sugar industry were promulgated on June 14 last. The head office of the bureau is established at Taihoku (Taipei) and a branch office at Tainan. Depôts connected with the Tainan branch office have been established at Kagi, Ensuiko, Hozan and Ako.

The expenditure by the Government-General of a sum of 149,769 yen, for the purpose of establishing the sugar bureau and for the encouragement of the sugar industry in Formosa during the present financial year 1902-03, has been allowed by the Diet, while out of a further sum of 240,000 yen, voted by the Diet for subsidies to various industries in Formosa, a sum of 140,000 yen has been appropriated for sugar bounties. Thus the total amount

set aside by the Government-General for the encouragement of the sugar industry in Formosa during the financial year April, 1902, to March, 1903, is 289,769 yen (about 29,582*l.*).

The amounts to be paid as bounties to persons engaged in sugar ^{Sugar} planting or in the manufacture of the sugar have been fixed as ^{bounties} follows:—

Towards the expense of: (1) Planting sugar cane shoots, up to 3 yen 60 sen per quarter of an acre; (2) Manuring, up to 5 yen per quarter of an acre; (3) Cultivation, up to 2 yen per quarter of an acre; (4) Irrigation and draining, up to 50 per cent. of the expense of constructing drains, &c.; (5) Purchase of machinery and plant, up to 20 per cent. of the cost of same.

A translation of the regulations relating to the encouragement of the sugar industry is appended to this report.

The chief features connected with the rice export trade in 1901 ^{Rice.} have all been fully dealt with in the previous report on the trade of this district, and it only remains to state that the amount exported (83,970 cwts., valued at 25,256*l.*) shows a decrease of 18,569 cwts. in quantity, and 10,804*l.* in value, as compared with the amount exported in 1900.

The only other item of export which calls for mention is salt, ^{Salt.} which for the first time figures as an export in the customs returns. The amount exported in 1901 was 288,085 cwts. in quantity, and 6,180*l.* in value. The whole amount was exported to Japan.

Tables III and IV appended to this report show the relative ^{Relative shares of the} shares which the ports of Anping and Takow had in the import and export trade of the Tainan district during 1901, Anping participating to the extent of exports, 249,003*l.*; and imports, 334,096*l.*; while the share of Takow was, in exports, 167,181*l.*; ^{ports of Anping and Takow in the} and in imports, 107,480*l.* Takow, however, may possibly acquire a larger share in the trade of the district when the harbour improvements, which are to be shortly commenced, are completed.

The following table gives the value of the import and export ^{Trade of other open} trade for 1901 and 1900 of the four ports opened in this district to foreign trade in 1899 :— ^{ports in the district.}

Port.	1901.			1900.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Tōkō... ..	13,278	11,796	25,074	12,350	11,240	23,590
Tōseki	22,038	27,887	49,925	22,946	32,408	55,354
Makyu (Pescadores)	33,157	16,220	49,377	14,370	8,566	22,936
Kakōkō	14,283	21,912	36,295	13,484	18,985	32,469
Total	82,856	77,815	160,671	63,150	71,199	134,349

The quantity and value of the principal articles of import and export to and from the four ports respectively are shown in Table V, appended to this report.

The shipping returns for 1901, as well as a description of ^{Shipping.} shipping business transacted during the year, are given in the previous report on the trade of this district.

Subsidies to
shipping
companies.

It should be noted, however, with reference to the subsidies granted to two Japanese shipping companies, described on page 13 of that report, that the amount, 800,000 yen, proposed by the Government for the financial year ending March 31, 1903, was reduced in the Diet by 20 per cent., the total amount passed being 640,000 yen (about 65,333 $\frac{1}{2}$).

The prescribed routes, and the amount of subsidy apportioned to each, were accordingly altered, and for the present financial year, April 1, 1902, to March 31, 1903, are as follows:—

Route.	Subsidy.	Remarks.
	Yen.	
Abroad—		
From Tamsui to Hong-Kong, via Amoy and Swatow	93,937	Four return voyages every month from April to September, and three return voyages every month from October to March
From Anping to Hong-Kong, via Amoy and Swatow	61,028	Two return voyages every month. Takow may be visited
From Foochow to Hong-Kong, via Amoy and Swatow	52,353	Two return voyages every month.
From Foochow to San-to-u ..	11,700	Four return voyages every month
From Foochow to Hengwha ..	13,942	Four return voyages every month
From Amoy to Chiobei ..	14,935	Fifty return voyages every month
Formosa coasting, and to and from Japan—		
From Kelung to Kōbē, via Mōji ..	59,207	Two return voyages a month.
From Takow to Yokohama, via Anping, Kelung, Nagasaki, Mōji, Ujina and Kōbē	124,800	Two return voyages a month. One steamer a month will call at the Pescadores on the return voyage
From Kelung to Anping, via Sōō, Karenko, Pinam, Garambi, Taihanro, Takow and back, via Pescadores and Tokatsu Kutsu; and from Kelung to Takow, via Tokatsu Kutsu, Pescadores and Anping and back via East Coast ports as above	143,825	Two return voyages a month
From Kelung to Kōbē, via Mōji ..	59,207	Two return voyages a month

With the exception of the last subsidy of 59,207 yen, which is granted to the Nippon Yusen Kwaisha (the Japan Mail Steamship Company), all the above subsidies are granted to the Osaka Shosen Kwaisha (the Osaka Merchant Shipping Company).

On comparing the above table of subsidies and routes fixed for 1902 with the one for the previous year, the following alterations are noted:—

1. The subsidy for the line from Tamsui to Hong-Kong has been reduced from 110,700 to 93,937 yen.
2. The subsidy for the line from Anping to Hong-Kong has been increased from 60,000 to 61,028 yen.
3. The subsidies granted for the three lines running from Foochow have been reduced as follows:—

Foochow to Hong-Kong line from 64,970 to 52,353 yen.

Foochow to San-to-u line from 18,120 to 11,700 yen.

Foochow to Hengwha line from 20,310 to 13,942 yen.

Compared
with 1901,
changes in
routes and
amounts of
subsidy.

4. A subsidy of 14,935 yen has been granted to the Osaka Shosen Kwaisha to run two small steamers of not less than 30 tons gross register from Amoy to Chiobei, 50 return trips a month to be made.

5. The subsidy for the line from Kelung to Kōbé has been reduced from 84,480 to 59,207 yen.

6. The line from Kelung to Kōbé, viâ Nagasaki, Mōji and Ujina has been extended, and two steamers now make one return voyage each a month from Takow to Yokohama, viâ Anping, Kelung, Nagasaki, Mōji, Ujina and Kōbé. The subsidy is now 124,800 yen, instead of the subsidy of 191,183 yen, granted last year for three return voyages a month between Kelung and Kōbé.

7. The line from Takow to Kōbé, viâ Pescadores, Kelung, Ishigaki, Loochoo and Kagoshima has been closed.

8. The subsidy for the coast lines round the island of Formosa has been increased from 126,687 to 143,825 yen.

9. The subsidy granted to the Nippon Yusen Kwaisha has been increased from 50,000 to 59,207 yen, but their steamers have now to run from Kelung to Kōbé, viâ Mōji, instead of, as before, simply to Mōji.

The South Formosa Ice Company, a British company registered in Hong-Kong, whose ice factory at Anping was referred to on page 14 of the previous report on the trade of this district, has been granted a subsidy of 3,000 yen for the present financial year by the Government-General, the chief condition being that ice shall be supplied to the civil and military hospitals, and to the Government offices whenever required throughout the year at a price settled beforehand by the ice company in consultation with the head local authority. Up to the present year the factory supplied ice only during the summer months—April to October.

Subsidy to a
British ice
company.

The construction of the section of the Government railway between Tainan and Kagi (38 miles) was completed in the spring of this year (1902), and the line was opened for traffic on April 20. Two trains run daily each way, the time occupied in the journey being 2 hours 48 minutes.

Government
railway.

A lighthouse has been erected on Kitajima (North Island, Pescadores), and a first order revolving white light has been exhibited since June 15 last. The elevation of the light above the sea is 158 feet, and the light is visible at a distance of 19 nautical miles.

Erection of
lighthouse on
North Island,
Pescadores.

All calculations have been made in this report at the rate of 1 yen equals 2s. 0½d.

Rate of
exchange.

Table I.—RETURN of Principal Articles of Import into Tainan during the Years 1901 and 1900.

Articles.		1901.		1900.	
		Quantity.	Value.	Quantity.	Value.
FOREIGN GOODS.			£		£
Cotton goods—					
Grey shirtings	Yards ...	558,680	4,275	546,570	4,434
White shirtings... ..	" ...	564,476	7,332	492,267	6,447
Miscellaneous ... ..	" ...	...	9,362	...	2,331
Woollen goods—					
Camlets and lastings	Yards ...	151,080	4,926	125,154	4,001
Metals, miscellaneous ... ..	" ...	...	6,089	...	1,735
Rails and fittings ... ..	" ...	...	24,716	...	...
Kerosene	Gallons ...	757,555	21,143	1,073,075	33,041
Ginseng	Cwts. ...	34	1,477	36	1,236
Flour... ..	" ...	24,441	9,847	17,945	8,378
Condensed milk	Dozen ...	6,451	1,643	6,585	1,700
CHINESE PRODUCE.					
Bags, hemp	Number ...	221,927	2,377	173,219	1,176
Mats for packing	" ...	1,293,050	7,516	475,970	2,680
Joan-sticks	Cwts. ...	4,942	2,578	4,951	2,378
Tobacco, prepared ..	" ...	8,475	13,799	1,648	3,767
Timber and planks ... ..	" ...	...	8,040	...	12,002
Silk piece-goods	Yards ...	4,197	505	17,267	1,556
Cotton piece-goods	" ...	1,788,286	19,652	2,034,664	22,972
Silk and cotton mixtures ...	" ...	25,421	2,303	116,085	2,453
Linen and cotton mixtures	" ...	296,521	4,371	456,581	5,539
Grass-cloths	" ...	100,730	2,087	182,697	3,262
Cotton, raw... ..	Cwts. ...	1,168	2,516	...	2,068
Paper ... ..	" ...	...	5,391	...	15,615
Chinese liquor ... ..	" ...	...	439	...	194
Porcelain and earthenware	" ...	...	2,350	...	2,700
Sundries ... ..	" ...	...	73,311	...	107,966
Total ... ..	...	...	237,949	...	249,600
JAPANESE PRODUCE.					
Fish, salt and dried ... ..	...	...	3,261	...	1,762
Soy ... ..	...	...	4,536	...	2,842
Provisions ... ..	...	...	15,039	...	9,457
Drugs and medicines ... ..	...	...	2,354	...	2,197
Rice ... ..	...	...	3,141	...	1,973
Metalware ... ..	...	...	5,284	...	3,739
Oil ... ..	...	...	1,199	...	1,356
Paper ... ..	...	...	3,950	...	2,777
Piece-goods ... ..	...	...	28,965	...	5,805
Tobacco, cut, and cigarettes	...	...	2,990	...	2,255
Saké ... ..	...	...	23,634	...	13,070
Beer ... ..	...	...	6,784	...	2,969
Cement and lime ... ..	...	...	3,449	...	1,446
Bricks and tiles ... ..	...	...	1,836	...	3,512
Timber and planks ... ..	...	...	23,017	...	27,048
Railway materials ... ..	...	...	15,273	...	31,594
Matches ... ..	...	...	7,672	...	4,834
Sundries ... ..	...	...	51,233	...	42,393
Total ... ..	...	...	203,627	...	161,079
Grand total ... ..	...	...	441,576	...	410,679

Table 11.—RETURN of Principal Articles of Export from Tainan during the Years 1901 and 1900.

Articles.	1901.		1900.	
	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£
Sugar, brown	615,897	275,016	450,931	244,534
" white	55,744	39,349	41,300	22,077
Rice	83,970	25,256	102,539	36,060
Hemp	9,018	14,040	7,809	15,842
Lungan pulp	10,405	10,882	2,555	2,874
Lungans, dried	15,401	6,650	728	357
Turmeric	24,092	10,120	28,571	15,104
Sesamum seed	23,348	9,767	..	..
Salt	288,085	6,190	..	..
Oil cake	27,909	2,850	23,606	2,624
Pineapple fibre	693	1,826	626	1,571
Bamboo shoots	1,690	1,609	..	..
Beans, peas and pulse	6,179	1,644	7,699	2,050
Miscellaneous .. ..	..	10,935	..	21,681
Total .. ..	..	416,184	..	361,274

Table III.—RETURN showing the Respective Shares of Anping and Takow in the Import Trade of Tainan during the Year 1901.

Articles.		Anping.		Takow.	
		Quantity.	Value.	Quantity.	Value.
			£		£
FOREIGN GOODS.					
Cotton goods—					
Grey shirtings ...	Yards	558,680	4,275	...	...
White shirtings...	"	564,476	7,332	...	...
Miscellaneous ...	"	...	9,356	...	6
Woollen goods—					
Camlets and lastings	Yards	150,945	4,899	735	27
Metals, miscellaneous	...	...	4,044	...	2,045
Balls and fittings	...	...	...	...	24,716
Kerosene ...	Gallons	594,020	16,269	163,535	4,874
Ginseng ...	Lbs.	3,808	1,463	9	14
Flour ...	Cwts.	22,093	8,770	2,343	1,077
Condensed milk	Dozen	6,443	1,644	8	4
CHINESE PRODUCE.					
Bags, hemp ..	Number	145,442	1,699	76,435	578
Mats for packing	"	1,016,860	5,334	276,190	2,182
Joss-sticks ...	Cwts.	4,054	2,111	888	467
Tobacco, prepared	"	8,277	13,322	198	477
Timber and planks	...	...	6,406	...	2,634
Silk piece-goods	Yards	4,180	502	17	3
Cotton piece-goods	"	1,492,350	16,538	305,956	3,114
Silk and cotton mixtures	"	25,239	2,283	182	20
Linen and cotton mixtures	"	277,571	4,093	18,950	278
Grass-cloths	...	93,132	1,965	7,598	122
Cotton, raw	Cwts.	1,168	2,516	...	...
Paper	...	...	4,675	...	716
Chinese liquor	...	...	428	...	11
Porcelain and earthenware	...	...	1,623	...	727
Sundries	...	...	58,919	...	14,392
Total	...	...	179,466	...	58,483
JAPANESE PRODUCE.					
Fish, salt and dried	...	...	3,165	...	96
Soy	...	...	3,968	...	568
Provisions	...	...	14,399	...	640
Drugs and medicines	...	...	2,339	...	15
Rice	...	...	2,675	...	466
Metalware	...	...	4,743	...	541
Oil	...	...	884	...	315
Paper	...	...	3,931	...	19
Piece-goods...	...	...	25,323	...	3,642
Tobacco, cut, and cigarettes	...	...	2,858	...	132
Saké	...	...	21,944	...	1,690
Beer	...	...	6,526	...	268
Cement and lime	...	...	458	...	2,991
Bricks and tiles	...	...	1,522	...	314
Timber and planks	...	...	14,819	...	8,198
Railway materials	...	...	...	...	15,273
Matches	...	...	7,271	...	401
Sundries	...	...	37,805	...	13,428
Total	...	...	154,630	...	48,997
Grand total	...	...	334,096	...	107,480
Total import trade of Tainan	...	...	441,576		

Table IV.—RETURN showing the respective Shares of Anping and Takow in the Export Trade of Tainan during the Year 1901.

Articles.	Anping.		Takow.	
	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£
Sugar, brown	292,245	134,046	323,652	140,970
" white	55,453	39,175	291	174
Rice	11,401	4,146	72,569	21,110
Hemp	8,893	13,846	125	194
Lungan pulp	10,405	10,882	..	..
Lungans, dried	15,098	6,546	303	104
Turmeric	28,931	10,058	161	62
Sesamum seed	17,510	7,457	5,838	2,310
Salt	268,434	5,466	19,651	714
Oil cake	27,838	2,840	71	10
Pineapple fibre	692	1,824	1	2
Bamboo shoots	1,690	1,669	..	..
Beans, peas and pulse	5,921	1,578	258	66
Miscellaneous .. ..	..	9,470	..	1,465
Total .. ..	..	294,003	..	167,181
Total export trade of Tainan .. ..	..	416,184		

Table V.—RETURN showing the Principal Articles of Import and Export at the Ports of Tōkō, Tōseki, Makyu and Kakōkō during the years 1901 and 1900.

PORT OF TŌKŌ (TANGKANG).

IMPORTS.

Articles.	1901.		1900.	
	Quantity.	Value.	Quantity.	Value.
	Gallons.	£	Gallons.	£
Kerosene	130,790	3,798	60,985	1,742
Timber and boards .. ..	..	1,575	..	1,341
Sundries .. ..	..	7,905	..	9,267
Total .. ..	..	13,278	..	12,350

EXPORTS.

Articles.	1901.		1900.	
	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£
Rice	41,755	9,288	43,380	10,603
Sundries .. ..	..	2,508	..	637
Total .. ..	..	11,796	..	11,240

PORT OF TŌSEKI (TANGCHU).

IMPORTS.

Articles.		1901.		1900.	
		Quantity.	Value.	Quantity.	Value.
Fish, salted ..	Cwts. ..	2,427	£ 1,344	1,318	£ 643
Kerosene	Gallons ..	87,110	2,695	51,170	1,642
Cotton piece-goods (Chinese) ..	Yards ..	361,122	4,017	501,639	5,255
Porcelain and earthenware ..	..	..	1,067	..	941
Timber and boards..	..	..	2,205	..	2,739
Sundries .. ..	..	..	10,710	..	11,726
Total .. ..	..	..	22,038	..	22,946

EXPORTS.

Articles.	1901.		1900.	
	Quantity.	Value.	Quantity.	Value.
Rice	Cwts. 11,651	£ 7,071	Cwts. 58,411	£ 16,690
Seeds, sesamum ..	12,901	4,833	..	..
Sugar, brown	16,889	7,241	14,509	5,230
Beans, peas and pulse..	6,046	1,792	6,653	1,789
Hides or skins, un- dressed	1,678	1,439	..	..
Oil cakes	22,501	2,522	10,526	1,107
Sundries .. ..	..	2,989	..	7,592
Total .. ..	..	27,687	..	32,408

PORT OF MAKYU (MAKUNG).

IMPORTS.

Articles.		1901.		1900.	
		Quantity.	Value.	Quantity.	Value.
Flour	Cwts. ..	2,985	£ 1,505	1,769	£ 846
Tobacco, cut ; and cigarettes .. ..	..	..	2,420	..	444
Kerosene	Gallons ..	73,820	2,185	35,330	1,049
Cotton piece-goods (Chinese) ..	Yards ..	243,957	2,831	256,986	3,035
Timber and boards..	..	..	4,756	..	1,756
Sundries .. ..	..	..	19,460	..	7,240
Total .. ..	..	..	33,157	..	14,870

EXPORTS.

Articles.		1901.		1900.	
		Quantity.	Value.	Quantity.	Value.
Rice.. ..	Cwts. ..	9,679	£ 2,118	14,200	£ 4,500
Seeds, sesamum ..	" ..	7,821	2,515	..	..
Oil cake	" ..	30,339	3,453	8,666	1,131
Salt	" ..	18,460	1,947	..	..
Pigs	Number ..	3,580	2,340	..	..
Sundries .. ..	.. ..	..	3,847	..	2,935
Total .. ..	.. ..	..	16,220	..	8,566

PORT OF KAKŌKŌ (YEOKAU).
IMPORTS.

Articles.		1901.		1900.	
		Quantity.	Value.	Quantity.	Value.
Kerosene	Gallons ..	42,175	£ 1,242	15,475	£ 443
Cotton piece-goods (Chinese) ..	Yards ..	425,031	4,547	452,018	4,692
Timber and boards ..	.. ..	..	1,533	..	1,315
Sundries .. ..	.. ..	..	7,061	..	7,024
Total .. ..	.. ..	..	14,383	..	13,484

EXPORTS.

Articles.		1901.		1900.	
		Quantity.	Value.	Quantity.	Value.
Rice	Cwts. ..	11,091	£ 3,272	34,686	£ 10,968
Sugar, brown .. ..	.. ..	28,243	12,050	8,254	3,082
Oil cake .. ..	.. ..	23,807	2,218	18,770	1,884
Sundries .. ..	.. ..	..	4,372	..	3,051
Total .. ..	.. ..	..	21,912	..	18,985

APPENDIX.

Regulations for the Encouragement of the Sugar Industry.

I. Persons engaged in the cultivation of sugar cane or the manufacture of sugar, who are deemed suitable by the Governor-General of Formosa, shall be granted bounties towards the following expenses—

1. The purchase of sugar cane shoots and manure.
2. Reclaiming land.
3. Irrigation and drainage.
4. The purchase of machinery and plant for the manufacture of sugar.

If considered necessary by the Governor-General of Formosa, instead of money, the actual articles may be given or lent.

II. Subsidies may be granted to persons who engage in the manufacture of sugar with a quantity of materials fixed by the Governor-General of Formosa.

III. Persons who reclaim Government land for the purpose of cultivating sugar cane shall be leased the land free of charges, and upon the completion of the work of reclamation of the whole area of land, shall be granted free of charge proprietary rights in the industry.

IV. Persons who have been granted proprietary rights in the industry in accordance with the previous Article, or persons who have been granted the expenses for reclaiming land in accordance with Article I, may not, without the sanction of the Governor-General of Formosa, abandon the cultivation of sugar cane on the reclaimed land.

V. When the land on which irrigation or drainage work is to be carried out is Government land it will be leased free of charges to persons undertaking the work.

VI. Money given or articles given or lent in accordance with these regulations may not be spent or used for any other purpose.

VII. Persons who have received a bounty or to whom articles have been either given or lent for the purpose of irrigation or drainage of sugar plantations may not, without the sanction of the Governor-General of Formosa, plant other things (than sugar cane) within, or irrigate outside, the plantation.

VIII. Persons who have received a bounty towards the expenses of machinery and plant for sugar manufacture, or to whom articles have been given or lent for that purpose, as well as persons who have received a subsidy under Article II, may not, without the sanction of the Governor-General of Formosa, abandon the work or discontinue it for longer than one sugar manufacturing season.

IX. The provisions of Articles IV to VIII apply to the successors of the persons therein mentioned.

X. Money to be granted or articles given in accordance with these regulations may not be made the subject of attachment on behalf of the rights of a third party.

XI. The Governor-General of Formosa may issue instructions concerning matters necessary for the sugar industry to persons who have received a bounty or subsidy, or to whom articles have been given or lent in accordance with these regulations.

XII. In case of a breach of Article IV, of Articles VI to VIII, or of instructions issued under these regulations is committed, the Governor-General of Formosa may order the stoppage or refund of the bounty or subsidy and the return of the land and articles granted.

XIII. No claim for compensation for loss in regard to the measures taken under these regulations, or under the instructions issued in accordance with these regulations, may be made.

XIV. Necessary stipulations, other than those fixed by these regulations, may be made by the Governor-General of Formosa.

June 14, 1902.

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No. 3000 Annual Series.

DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1902

ON THE

TRADE OF THE CONSULAR DISTRICT
OF TAINAN (SOUTH FORMOSA).

REFERENCE TO PREVIOUS REPORT, Annual Series No. 2908.

*Presented to both Houses of Parliament by Command of His Majesty,
JUNE, 1903.*

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CONTENTS.

	PAGE
Statistics, how compiled	5
Total trade	5
Comparison with previous year	5
Trade with Japan and foreign countries	5
Share of British and other merchants in the trade of the port	6
Imports.....	6
Kerosene	6
Sales and prices of "Comet" oil	7
Proposed direct shipments from the United States of America	7
Flour.....	7
Other imports	7
Tobacco.....	7
Decrease in import of Chinese tobacco	7
Increase in import of Japanese ,, 	7
Duty on tobacco	7
Exports.....	7
Sugar.....	8
Export of sugar to Japan and to China and Hong-Kong.....	8
Comparison with previous years	8
Exporters to Japan.....	9
Share of British merchants in the trade.....	9
Crop in 1902	9
Sugar-producing districts and number of acres under cultivation	9
Market in 1902	9
Prices at the end of 1902	9
Freights	9
Banking facilities	10
Sugar factories.....	10
Introduction of foreign machinery encouraged by Government	10
The Formosa Sugar Factory.....	10
Machinery, British	11
Rice	11
Shortage of crop in 1902	11
Export to Japan	11
,, China	11
Want of proper irrigation	11
Rice mills	12
Openings for British machinery ..	12
Need for fuller information in catalogues supplied by British firms	12
Compared with catalogues of American firms	12
Comparison between British and American rice-hullers at present in use....	12

CONTENTS—continued.

	PAGE
Other exports	13
Salt	13
Trade of other open ports in the district	13
Shipping	13
Total for 1902	13
Compared with 1901	13
Foreign-going ships, total for 1902	13
Compared with 1901	13
British, Japanese and German vessels	13
Cargoes of British vessels	13
Japanese steamship lines	14
Anping-Hong-Kong line	14
Subsidy.....	14
Takow-Yokohama line	14
Subsidy.....	14
Round the island service	14
Subsidy	14
Junk trade, decrease in	14
Subsidy to British ice company	14
Rate of exchange.....	14
Sources of information	14
Table I.—Imports into Tainan	15-17
„ II.—Exports from Tainan.....	18
„ III.—List of sugar-producing districts, &c.....	19
„ IV.—Imports at other ports in district	20
„ V.—Exports „ „	21
„ VI.—Shipping at Tainan	22
„ VII.— „ other ports	23

Reference to previous Report, Annual Series No. 2908.

Report on the Trade of the Consular District of Tainan (South Formosa) for the Year 1902

By MR. ACTING-CONSUL GRIFFITHS.

(Tainan, March 28, 1903; received at Foreign Office, May 19, 1903.)

The return of the foreign trade of Formosa for the year 1902 Statistics, has not yet been issued by the Government-General, but the customs how compiled. authorities at this port have courteously permitted me to refer to their records of imports and exports for the past year and I have thus been enabled to compile the statistics given in this report earlier than would otherwise have been possible.

The total trade of this district, comprising the two ports of Anping Total trade. and Takow, during the year 1902 amounted to 919,819£., of which 423,311£. represents imports and 496,508£. represents exports.

Compared with the figures for 1901 the returns for the past year Comparison with previous year. show an increase in the total trade of 62,059£., or more than 7 per cent. Imports have slightly declined, but exports show a very large increase, amounting to 80,324£., or nearly 20 per cent.

The following comparative table gives the values for each year as well as the average of the five years 1897-1901 inclusive :—

	Value.			Increase or Decrease in 1902 compared with—	
	1902.	1901.	Average, 1897-1901.	1901.	Average, 1897-1901.
	£	£	£	£	£
Imports ..	423,311	441,576	364,161	- 18,265	+ 59,150
Exports ..	496,508	416,184	339,752	+ 80,324	+ 106,756
Total ..	919,819	857,760	753,913	+ 62,059	+ 165,906

I am unable to give statistics of the share which each foreign Trade with country had in the trade of this district during the year 1902, but the Japan and following table shows the value of exports and imports to and from foreign countries. Japan and to and from foreign countries respectively :—

(289)

Country.	Value.		
	Exports.	Imports.	Total.
	£	£	£
Japan	347,772	219,857	567,629
Foreign countries	148,736	203,454	352,190
Total	496,508	423,311	919,819

Of the trade with foreign countries practically the whole of the exports and about seven-tenths of the imports are the share of China, while the balance of the imports are divided between the United States of America and the United Kingdom in the proportion, as regards value, of about three to two, America supplying kerosene oil and flour and the United Kingdom cotton and woollen goods, miscellaneous metals and condensed milk.

Share of
British
and other
merchants in
the trade of
the port.

With the exception of the import of kerosene oil and flour, the import trade of this port with foreign countries is entirely in the hands of Chinese merchants, nor is there any prospect of British merchants being able to compete advantageously. The trade is, comparatively speaking, small, and is on the decline in the face of Japanese competition, all goods from Japan entering Formosa free of duty.

While British goods are bought in Hong-Kong and retailed in this district by Chinese merchants, imports from America, namely, kerosene oil and flour, are almost entirely in the hands of the British merchants established at this port.

Imports with Japan are dealt with by Japanese and natives, no British merchant having so far been able to successfully compete in this trade.

As regards exports to Japan, sugar (about three-fourths of the crop), rice and salt, the last is a Government monopoly, but of the two former the British merchants here have a considerable share.

Imports.

Although the total value of imports into this district during 1902 shows a decline when compared with the value of the previous year, the value of imports in which British merchants at the port were concerned considerably increased, the import of kerosene and flour during 1902 being largely in excess both as regards quantity and value, not only of the import during the previous year but also of the average import of the previous five years.

Kerosene.

The import of kerosene in 1902 was 274,555 gallons in quantity and 6,940*l.* in value in excess of the import during the previous year. Of the total amount imported, namely, 103,211 cases containing 10 gallons each, 98,000 cases came to British firms, while the remaining 5,211 cases were brought over from the mainland by native (Chinese) dealers, chiefly in junks.

Of the 98,000 cases imported by British merchants, 75,000 cases contained American oil ("Comet" brand), while 23,000 cases contained Langkat oil. No Russian oil was imported during the year.

Sales of American oil during the year exceeded all previous Sales and records.. Prices for the American "Comet" brand averaged 2 dol. 80 c. (4s. 9d. to 5s. 2d.) per case until the end of September. In October, however, owing to the fall in silver, there was a sudden rise in price and a steady advance continued to the end of the year, when the market stood as high as 3 dol. 70 c. (5s. 8½d.) per case, with every prospect of a further rise. prices of "Comet" oil.

The rise in prices is attributable chiefly to the depreciation of silver, but it would seem, in view of the simultaneous increase in the sterling rate of prices, that other factors were at work in America to bring about this high range of prices.

It is of interest to note that whereas hitherto all oil from America has been sent to Hong-Kong and there transhipped to this port, with the result that a considerable leakage and consequent loss has invariably taken place, it is for the future proposed to induce direct shipments from the United States to Tainan. The first of these shipments—25,000 cases of "Comet" oil—arrived at the port by British ship from New York on February 18 of the present year (1903). The change will, it is expected, result in a considerable reduction in the laying down cost of the oil. Proposed direct shipments from the United States of America.

Flour was imported to the amount of 24,720 cwts. in quantity and 10,436*l.* in value, an increase of 279 cwts. in quantity and 589*l.* in value as compared with the import of 1901, and a large increase of 6,166 cwts. valued at 2,071*l.* over the average import of the previous five years. The flour imported is American, chiefly from the mills of the Sperry Flour Company of San Francisco.

Other imports call for little notice, with the exception of mats used for packing sugar; all imports from China show a decrease as compared with the average import for the previous five years, such decrease being principally due to the fact that articles from Japan which enter Formosa free of duty are rapidly supplanting the similar articles which used to be almost exclusively imported from China, but on which heavy customs duties are levied. Other imports.

Thus tobacco for native consumption, the average import of which from China during the five years 1897–1901 was over 25,000*l.*, was, during 1902, imported from China to the value of only 1,392*l.*, while tobacco from Japan (chiefly cigarettes, which are now largely smoked by the natives of Formosa) was imported during the year to the value of 13,025*l.*, an increase of more than 10,000*l.* over the value of the import during any previous year. When it is stated that an *ad valorem* duty of 150 per cent. is levied on tobacco imported from abroad the above mentioned state of affairs can be readily understood. Decrease in import of Chinese tobacco. Increase in import of Japanese tobacco. Duty on tobacco.

Other imports are briefly referred to in the return of the principal articles of import given in Table I appended to this report.

The total export trade of Tainan in 1902 amounted in value to 496,508*l.*, which is the largest amount since the occupation of this district by the Japanese in the autumn of 1895. Compared with the figures for 1901, exports during 1902 show an increase of 80,324*l.* Exports.

and an increase of 106,756*l.* over the average value of exports for the five years 1897-1901.

Sugar.

As in previous years the most important item of exports was sugar, the principal product of South Formosa. Of the total value of exports in 1902, 496,508*l.*, the value of the export of sugar alone represented 414,528*l.*, or more than 83 per cent., rice to the value of 15,451*l.*, hemp 12,965*l.*, and salt 12,568*l.*, the last a Government monopoly, figuring next in value on the list of exports.

Export of
sugar to Japan
and China and
Hong-Kong.

The following table gives the quantity and value of sugar exported from Tainan to Japan and to China and Hong-Kong respectively during 1902 :—

Description.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Brown sugar ...	Cwts. 673,062	£ 311,403	Cwts. 136,123	£ 60,684	Cwts. 809,185	£ 372,087
White " ...	9,271	5,314	54,406	37,127	63,677	42,441
Total ...	682,333	316,717	190,529	97,811	872,862	414,528

Comparison
with
previous
years.

Compared with the export during the year 1901, and also with the average export of the years 1897-1901, the above table shows the following increases and decreases :—

1901.

Description.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Brown sugar ...	+ 171,422	+ 85,746	+ 21,866	+ 11,325	+ 193,288	+ 97,071
White " ...	+ 4,953	+ 1,987	+ 2,980	+ 1,125	+ 7,933	+ 3,092
Total ...	+ 176,375	+ 87,733	+ 24,846	+ 12,450	+ 201,221	+ 100,163

1897-1901 (AVERAGE).

Description.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Brown sugar ...	+ 296,948	+ 163,328	- 94,982	- 27,825	+ 201,966	+ 135,503
White " ...	- 3,437	- 2,525	- 7,864	- 1,189	- 11,301	- 3,714
Total ...	+ 293,511	+ 160,803	- 102,846	- 29,014	+ 190,665	+ 131,789

From the above figures it will be seen that there were a large increase in the amount of brown sugar exported to Japan as compared with the average amount of previous years, while the trade with China showed a considerable decline. As a matter of fact the tendency of the local Chinese merchants in Tainan is now to ship their sugar as far as possible to Japan and not, as formerly, exclusively

to China. Not only are better prices realised in Kobe and Yokohama than in the northern ports of China, but shippers to Japan have less trouble to contend with at the local custom-houses here than those who export to China.

The bulk of the sugar export trade with Japan (Kobe and Yokohama) is at present in the hands of three British firms and five Chinese (Formosa) firms, a small portion being dealt with by a few occasional Japanese and Chinese traders of minor importance.

Exporters to Japan.

The British firms in 1902 did about 40 per cent. of the trade, the five Chinese firms about 55 per cent. and the occasional shippers about 5 per cent. No British merchants export sugar to China, the trade being entirely in the hands of Chinese, whose powerful guilds in the north of China keep out any competition by foreigners.

Share of British merchants in the trade.

The Formosa crop in 1902 was a good one. Of the total output, 1,066,022 cwts., 907,826 cwts. were exported and 158,196 cwts. were consumed in the island. Of the above total export, 872,862 cwts. were shipped from the South Formosa port of Tainan (Anping and Takow), while only 34,964 cwts. went from the north of the island.

Crop in 1902.

In Table III appended to this report a list is given of the sugar-producing districts in Formosa, the number of acres under cane cultivation, the number of manufacturers and the amount of sugar manufactured in 1902.

Sugar-producing districts and number of acres under cultivation.

The market may be said to have opened early in March by the purchase by British merchants of Takow ordinary brown sugar for shipment to Japan at 4 dol. 60 c. per picul (7s. 2½d. per cwt.), against 4 dol. 25 c. (7s. 4d. per cwt.) paid for first sugars in 1901. In consequence, however, of large stocks in Japan, held over from the previous year (one Philippine firm alone held as much as 200,000 piculs (238,095 cwts.) in Yokohama and Kobe), business was most difficult. The Japanese merchants in Yokohama declined to transmit the usual orders for sugar, preferring to let shippers run the risk of the market. The latter, on the other hand, refused to submit to this arrangement, and for several months large shipments went forward to be stored in Yokohama and Kobe. When the Formosa season closed considerable stocks were consequently lying at Yokohama and little or no business could be profitably transacted. Prices did not improve during the autumn, and it was only in November, when reports of a poor beet crop in Europe caused 100,000 piculs (119,048 cwts.) of Ilo-ilo sugar, stored at Yokohama, to be exported to the United Kingdom and about 40,000 piculs (49,619 cwts.) to North America, that prices recovered and shippers were enabled to dispose of their stocks at a small profit. On the whole the season may be said to have been one of the most unsatisfactory ones on record.

Market in 1902.

At the close of the year prices in Yokohama *ex go-down* ruled for Tainan and Takow better grade sugars from 5 yen 25 sen to 5 yen 60 sen per picul (9s. 1d. to 9s. 8d. per cwt.) and for Takow ordinary brown, 4 yen 70 sen to 5 yen 10 sen per picul (8s. 1½d. to 8s. 9½d. per cwt.).

Prices at end of 1902.

The Osaka Shosen Kwaisha (Osaka Merchant Shipping Company) Freight.

Freights.

made a season's contract with the principal exporters to take all their sugar to the Japan ports, the rate being 22 sen a bag of 1 picul (about $4\frac{1}{2}d.$ per cwt.) from Takow or Anping to Yokohama, and 20 sen a bag (a little over $4d.$ per cwt.) to Kobe. Occasional shippers of small lots had to pay 30 sen a bag ($6\frac{1}{2}d.$ per cwt.) to Yokohama.

Banking
facilities.

The financing of the Formosan sugar trade in 1902 was done in about equal proportions by the Japanese banks, Taiwan Ginko (Bank of Formosa) and Sanjushi Ginko (the 34th Bank), and the foreign banks in Hong-Kong and Japan. At times the Formosan rate of exchange did not correspond with the outside market rate and attracted business when in favour of exporters. The bulk of the Chinese business is done by the Japanese banks, owing to the fact that the latter allow overdrafts and accept blank bills (no documents attached). This allows exporters easier financing and at times accommodation bills.

Sugar
factories.

There are two sugar mills with steam power at present at work in this district, one, the Nakagawa Factory in Tainan, a private concern, subsidised by the Government-General, the other, the Formosa Sugar Factory, a registered company largely under Government control. In addition to these two Japanese factories, a native company was formed in the spring of last year (1902), with a capital of 200,000 dol. (about 15,600*Y.*) to work another sugar mill in the Tainan district. The mill, which comes from America and cost about 1,300*Y.*, will have a capacity of 5 tons of sugar per diem. The factory will be ready for work in the coming season, about November next. No foreign merchants have as yet invested any capital in sugar mills in South Formosa under the regulations promulgated by the Government-General on June 14, 1902, for the encouragement of the sugar industry, a translation of which was given in the report (supplementary) of the trade of this district for the year 1901.

Introduction
of foreign
machinery
encouraged by
Government.

As the Government-General, however, is strongly urging and encouraging the introduction of foreign cane-crushing machinery, it is most probable that many small mills will be erected by native sugar manufacturers in the near future. The mills most likely to be required will be those with a capacity of turning out from 3 to 5 tons of sugar per diem (12 hours).

The Formosa
Sugar
Factory.

The Formosa Sugar Factory, which commenced work at the end of 1901, was estimated to be able to turn out about 30 tons of sugar a day, or about 4,500 tons during a season of 150 working days, but up to the present, owing to various causes, such as lack of experience in working the machinery, and consequent frequent stoppages, as well as to difficulty in getting a sufficient quantity of cane, this estimate has not been realised. The output during last year (1902) was less than 20,000 piculs (1,190 tons).

The capital of the company is 1,000,000 yen (about 100,000*Y.*) in 50 yen shares. The receipts and expenditure for the year 1902 were as follows:—

RECEIPTS.

	Amount.
	Yen.
Subsidy	55,780
Proceeds of sale of sugar, &c.	136,696
Miscellaneous	10,878
Total	203,354

EXPENDITURE.

	Amount.
	Yen.
Material	104,082
Taxes	24,491
Salaries and wages.. .. .	12,065
Travelling expenses	3,355
Miscellaneous	9,728
Balance	49,633
Total	203,354

Out of the balance of 49,633 yen (about 5,105*l.*) a dividend of 1,683 yen per share was paid, absorbing 33,660 yen (3,462*l.*).

It is satisfactory to note that the three crushing mills in use at the factory as well as two out of the three engines are of British Machinery, manufacture, and, I am informed, give every satisfaction. They were purchased for the company in Glasgow by the London agency of the Japanese firm of Mitsui Brothers. British.

The export of rice in 1902 was about three-fifths that in 1901, Rice. and less than half the average export for the previous five years. This was due, entirely to the failure of the rice crop of 1902, caused by drought in the latter part of 1901. The export to Japan was confined mainly to the earlier part of the year when, a shortage in the Japan crop being contemplated, prices there made it possible to ship from his district. Before May, however, when the South Formosa (Hōzan) spring crop was reaped, prices in Japan had declined on the arrival of heavy foreign shipments, and also on more favourable reports being issued as to the crop in Japan itself. Shortage of crop in 1902. Export to Japan.

The export to China was very small, owing to rice being for the greater part of the year cheaper there than in Formosa, and a quantity that was sent over in junks from Takow was sold at a heavy loss. Export to China.

The want of proper irrigation is the cause of much loss in the agricultural districts. In many places there are rivers right along-side of the fields, but the natives have no pumps capable of lifting the water in sufficient quantity up the 30 feet or so of bank; 10 to 12 feet being the limit to which the crude native pumps, worked by foot, can attain. Want of proper irrigation.

The Government is paying serious attention to this question of irrigation, and farmers are being encouraged by subsidies to adopt more practical methods than those hitherto in use.

Rice mills.

There are two rice mills at work in the district, one in Takow and one in Anping, the capacity of each being 20 tons a day of 10 working hours. The machinery was purchased in the United States of America. Both mills work satisfactorily, and it is likely, I am informed, that more mills of a similar kind will be erected in this district in the near future.

Openings for British machinery.

In this connection, as well as in the matter of the requirements of sugar mills and irrigation machinery, there would seem to be an opening for the sale of British-made machinery.

Need for fuller information in catalogues supplied by British firms.

In a memorandum on the subject published in the Board of Trade Journal of August 7, 1902, it was stated that a British company, established in South Formosa, were likely to become purchasers of British machinery, and were desirous of having detailed catalogues and price lists giving full information concerning rice-milling machinery, sugar cane crushing, and brown and refined sugar manufacturing machinery, as well as irrigation machinery. It was further stated that the catalogues hitherto supplied by British manufacturers gave very scanty information as compared with those furnished by American firms.

The following further remarks on the same subject, contributed by the manager of the rice mills at work in this district, may be of interest to home manufacturers :—

Compared with catalogues of American firms.

“ American manufacturers seem to prepare their catalogues with a view to catering for farmers, the information they supply being most complete, not only specifying the construction and particulars of the parts of the machinery but actually giving much information as to the working of the mill, with a deal of miscellaneous information likely to be useful to the miller. Prices of American machines are about 20 to 30 per cent. cheaper than those of British machines, but the latter are of heavier construction and last longer. Improvements, however, are being made at such a rapid rate now-a-days, that it may well be considered whether it is not more profitable to buy machinery which costs 30 per cent. less to last only half the time than to buy heavily built machinery at increased first cost, which, before long, would be more or less out of date, too good to be discarded, but too obsolete to compete with machinery having the latest improvements. Then again the lighter build of a machine decreases the power required to drive it.

Comparison between British and American rice-hullers at present in use.

“ We have a sheller made in America capable of shelling 20 tons of paddy a day with 6 horse-power, against a British machine of the same capacity now used in the Takow mill which requires 20 horse-power. These are facts to be weighed by intending users, especially in a new country, where the use of machinery is opposed to the old established customs of the natives and where the first cost is a great consideration since the purchase would be an experiment regarded as more or less risky. British manufacturers seem to cater only for

establishments having a practical engineer on the spot, who understands the whole machinery, while British catalogues contain only bald specifications and little or nothing in the way of detailed information."

Other exports call for no special mention, with the exception of Other exports. salt, the export of which is a Government monopoly, they are principally agricultural produce in the hands of natives and exported to China. Salt.

The following table gives the value of the import and export Trade of other trade for 1902-1901 of the four ports opened in this district to foreign open ports in trade in 1899 :— the district.

Port.	1902.			1901.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Tōkō	11,324	7,346	18,670	13,278	11,796	25,074
Tōseki	9,962	6,682	15,644	22,038	27,887	49,925
Makyu (Pescadores) ..	26,834	7,015	34,449	33,157	16,220	49,377
Hokkōkei	8,188	12,168	20,376	14,383	21,912	36,295
Total	55,308	33,831	89,139	82,856	77,815	160,671

The quantity and value of the principal articles of import and export to and from the four ports respectively are given in Tables IV and V appended to this report, while a return of the shipping entered and cleared at the ports during 1902 is given in Table VII.

Complete returns of all shipping for the year 1902 are given in Shipping. Table VI appended to this report.

The total number of vessels, exclusive of junks, entered and cleared Total for during the year was 667 of 795,472 tons, of which 335 vessels of 1902. 400,396 tons entered and 332 vessels of 395,076 tons cleared.

Compared with the returns for the year 1901 the above figures Compared show a decrease of 19 vessels of 11,033 tons entered and a decrease with 1901. of 30 vessels of 25,964 tons cleared.

The number of foreign-going ships entered and cleared during Foreign-going 1902 was 107 vessels of 81,256 tons, of which 55 vessels of 43,288 ships. tons entered and 52 vessels of 37,968 tons cleared. Total for 1902.

Compared with 1901 this shows an increase of 10 vessels and 29 Compared tons in the amount of shipping entered, and an increase of 7 vessels with 1901. and decrease of 3,811 tons in the amount of shipping cleared.

British shipping entered and cleared to the number of 36 vessels British, of 30,170 tons, Japanese shipping to the number of 65 vessels of Japanese and German 46,118 tons, and German shipping to the number of 6 vessels of ships. 4,968 tons. Compared with the returns for 1901 the above figures show as regards British shipping an increase of 7 vessels and a decrease of 1,832 tons, and as regards Japanese shipping an increase of 8 vessels and a decrease of 5,126 tons. No German vessels entered or cleared the port during 1901.

With the exception of two sailing ships which brought timber Cargoes of from Foochow, the British vessels which visited this port during last British year came from Hong-Kong or Swatow, chiefly in ballast, and loaded vessels.

here with general cargo, principally sugar, for the northern coast ports of China—Ningpo, Shanghai and Tientsin. No British or foreign vessel cleared for the Japan ports during the year, the large sugar and rice export to Japan being carried exclusively in Japanese steamers.

Japanese
steamship
lines :
Anping-
Hong-Kong
line.
Subsidy.
Takow-
Yokohama
line.
Subsidy.

The Osaka Shosen Kwaisha (Osaka Merchant Shipping Company) continued throughout the year to run a fortnightly steamer service between Anping and Hong-Kong viâ Amoy and Swatow, and for this line received from the Government-General a subsidy of 61,028 yen (6,278*l.*). They also in April started a service of two return voyages a month from Takow to Yokohama viâ Anping, Kelung, Nagasaki, Moji, Ujina and Kobé. Two large steamers were placed on the run and the company received a subsidy of 124,800 yen (12,837*l.*). 1902 was the first year of a direct steamer service between the ports of Japan and the southern ports of Formosa. The service was very popular and successful.

Round the
island service.

In addition to the Anping-Hong-Kong and the Takow-Yokohama lines, the Osaka Shosen Kwaisha also ran a subsidised service of steamers round the coast of Formosa throughout the year. Two return voyages a month were made from Kelung to Anping viâ the ports Sōō, Karenko, Pinam, Garambi on the east coast, and Taihanro and Takowon the south-west coast, and back viâ Pescadores and Tokatsu Kutsu, and from Kelung to Takow, viâ Tokatsu Kutsu, Pescadores and Anping, and back viâ the east coast ports as above. The subsidy received by the company for this line was 143,825 yen (14,794*l.*).

Subsidy.

Junk trade
decrease.

The number of sea-going junks entered and cleared during 1902 was smaller than in the previous year, the total number and tonnage for 1902 being 293 of 8,385 tons against 384 of 11,290 tons entered and cleared in 1901.

Subsidy to
British ice
company.

The subsidy of 3,000 yen (308*l.*) granted last year to the South Formosa Ice Company by the Government-General, and referred to in the reports on the trade of this district for 1901, has been granted also for the present financial year April 1, 1903, to March 31, 1904, on the same conditions as before.

Rate of
exchange.

All calculations in this report have been made at the rate of 1 yen equals 2*s.* 0*l.* $\frac{1}{8}$ *d.*

Sources of
information.

I am indebted to the customs authorities at this port for kindly furnishing me with the statistics from which the returns of export and import have been compiled, as well as to Mr. A. W. Bain, of Messrs. Bain and Co.; Mr. R. N. Ohly, of Messrs. Tait and Co.; and Mr. Harry Hastings, the manager of the South Formosa Trading Company at this port, for much information respecting the export and import trade during the year.

Table I.—RETURN showing Principal Articles of Import into Tainan during the Years 1902–1901, and Average of Imports for the Five Years 1897–1901.

Articles.	1902.		1901.		Average, Five Years 1897-1901 (inclusive).		Increase or Decrease in 1902 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	1901.	Average, Five Years 1897-1901.	
FOREIGN GOODS.									
Cotton goods—									
Gray shirtings	313,821	2,492	558,680	4,275	657,196	5,145	—	1,783	— 2,653
White "	327,586	4,493	564,476	7,332	517,019	6,616	—	2,839	— 2,123
Miscellaneous	...	6,570	...	9,362	...	4,502	—	2,782	+ 2,063
Woolen goods—									
Camelina and lastings	73,380	2,422	151,680	4,926	174,068	5,514	—	2,504	— 3,092
Metals, miscellaneous	...	4,852	...	6,089	...	4,050	—	1,237	+ 802
Balls and fittings	...	...	...	24,715	...	...	...	...	...
Kerosene	1,082,110	28,083	757,556	21,143	949,966	23,583	+	6,940	+ 4,500
Glass	30	1,074	34	1,477	46	1,751	+	403	+ 677
Flour	24,720	10,436	24,441	9,847	18,554	8,365	+	589	+ 2,071
Condensed milk	5,820	1,432	6,451	1,648	6,283	1,608	—	216	— 176
CHINESE PRODUCTS.									
Bags, hemp	97,335	599	221,927	2,277	473,789	3,372	—	1,078	— 2,773
Mats for packing	1,098,021	13,086	1,293,050	7,516	1,038,340	4,853	+	5,570	+ 8,233
Joos-sticks	2,393	1,600	4,942	2,578	5,299	2,699	—	978	— 1,099
Tobacco, prepared	687	1,392	8,475	13,799	10,362	26,927	—	12,407	— 24,335
Timber and planks	...	7,114	...	8,040	...	11,365	—	926	— 4,251
Cotton piece-goods	1,016,903	11,418	1,798,286	19,652	...	37,425	—	8,234	— 26,007
Linen and cotton mixtures	340,660	4,970	296,521	4,371	...	5,276	+	599	— 308
Grass-cloths	90,128	1,636	100,730	2,087	...	4,977	—	451	— 3,311
Cotton, raw	848	1,752	1,168	2,516	...	3,446	—	764	— 1,691
Paper	...	7,770	...	5,391	...	14,332	+	2,379	— 6,562
Porcelain and earthenware	...	2,098	...	2,350	...	3,319	—	252	— 1,221
Sundries	...	83,165	...	76,558	...	112,095	+	11,607	— 23,930
Total	...	203,454	...	237,949	...	291,220	—	34,495	— 87,766

RETURN showing Principal Articles of Import into Tainan during the Years 1902-1901, and Average of Imports for the Five Years 1897-1901—continued.

Articles.	1902.		Value.		Increase or Decrease in 1902 compared with—		Remarks.
	Quantity.	Value.	1901.	1900.	1901.	1900.	
JAPANESE PRODUCE.							
Beer	22,069	6,527	6,794	2,969	-	267	+ 3,538
Cement and lime ..	17,699	1,394	3,449	1,446	-	2,055	- 52
Cotton piece-goods ..	341,808	33,050	28,965	5,805	+	4,085	+ 27,245
Drugs and medicines ..	..	2,531	2,354	2,197	+	177	+ 334
Fish, salt and dried ..	901	2,888	3,261	1,762	-	373	+ 1,126
Matches	170,249	8,672	7,672	4,884	+	1,000	+ 3,788
Metalware .. ..	..	1,831	5,284	3,739	-	3,463	- 1,903
Paper .. ..	..	5,888	3,950	2,777	+	1,938	+ 3,111
Provisions .. ..	..	3,544	15,039	9,457	-	11,495	- 5,913
Railway materials ..	..	8,237	16,278	31,694	-	7,036	- 23,357
Rice	21,777	7,445	3,141	1,973	+	4,304	+ 5,472
Saké .. ..	..	20,432	23,634	13,070	-	3,202	+ 7,362
Soy	94,760	5,207	4,586	2,842	+	671	+ 2,365
Timber and planks ..	..	13,177	23,017	27,048	-	9,840	- 13,871
Tobacco .. ..	..	13,025	2,890	2,255	+	10,035	+ 10,770
Sundries .. ..	..	86,009	54,268	47,261	+	31,741	+ 38,748
Total .. ..	..	219,857	208,627	161,079	+	16,230	+ 58,778
Grand total .. ..	..	423,311	441,576	..	-	18,265	..

NOTE.—Statistics of imports from Japan prior to 1900 are not obtainable. For the purpose of comparison, therefore, the figures for that year have been given instead of the average of five years as in the case of imports from abroad.

RECAPITULATION.

	Total Value.		Increase or Decrease in 1902 compared with 1901.
	1902.	1901.	
	£	£	£
Foreign goods and Chinese produce..	203,454	237,919	- 34,465
Japanese produce	219,857	203,627	+ 16,230
Total	423,311	441,546	- 18,235

Table II.—RETURN showing Principal Articles of Export from Tainan during the Years 1902-1901, and Average of Exports for the Five Years 1897-1901.

Articles.	1902.		1901.		Average, Five Years 1897-1901 (inclusive).		Increase or Decrease in 1902 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	1901.	Average, Five Years 1897-1901.	
	Cwts.	£	Cwts.	£	Cwts.	£	£	£	
Sugar—									
Brown ..	803,185	372,087	615,897	275,016	609,019	247,975	+ 97,071	+ 124,112	
White ..	63,677	42,441	55,744	39,349	74,978	44,875	+ 3,092	- 2,434	
Rice ..	49,012	15,451	83,970	25,256	114,849	33,211	- 9,803	- 17,760	
Hemp ..	8,916	12,965	9,018	14,040	6,442	11,436	- 1,075	+ 1,529	
Lungan—									
Pulp ..	6,386	5,328	10,405	10,882	6,875	7,049	- 5,554	- 1,721	Decrease due to short crops in 1902
Dried ..	4,961	1,980	15,401	6,650	9,574	3,960	- 4,670	- 1,980	The China grass plant, which is exported to China (chiefly to Swatow) to be manufactured into cloth, which is then re-imported into Formosa
Turmeric ..	19,300	9,204	24,092	10,120	25,535	10,407	- 916	- 1,203	The comparatively large decrease was due to short crops in 1902. The lungan (<i>Nephelium loupanga</i>), or "dragon's eye," is one of the staple exports from this district. The trade is entirely in the hands of Chinese
Seamum seed ..	4,643	2,302	23,348	9,767	14,386	5,567	- 7,465	- 3,265	
Salt ..	748,660	12,568	288,085	6,180	..	..	+ 6,388	..	Appeared first as an export in customs returns for 1901. The whole amount goes to Japan
Oil cake ..	13,309	1,312	27,909	2,850	41,096	4,639	- 1,538	- 3,327	
Pine apple fibre ..	924	2,532	693	1,826	669	1,532	+ 706	+ 1,000	
Bamboo shoots ..	1,925	2,070	1,690	1,669	..	..	+ 401	..	Exported to Chinese coast ports
Beans, peas and pulse ..	1,200	469	6,179	1,614	9,784	2,801	- 1,175	- 2,332	
Miscellaneous ..	..	15,799	..	10,935	..	16,300	+ 4,864	..	
Total ..	..	496,508	..	416,184	..	889,752	+ 80,324	+ 106,756	

Table III.—RETURN giving a List of Districts in Formosa in which Sugar is Produced, the Number of Acres under Cultivation, the Number of Manufacturers and the Amount of Sugar Manufactured in 1902.

District (Cho).	Area under Cultivation.	Manufacturers.	Amount of Sugar Manufactured in 1902.
	Acres.	Number.	Cwts.
Giran	413	6	1,316
Shinkō	47	..	..
Taihoku	1,538	19	16,279
Tōshien	157	7	776
Shinchiku	2,267	95	16,519
Byoritsu	667	59	7,234
Taichū	574	23	11,386
Nantō	1,739	36	15,211
Shōkwa	368	16	8,574
Toroku	1,193	33	23,846
Kagi	2,839	100	123,704
Ensui-kō	7,383	185	277,928
Tainan	3,834	258	207,228
Hōzan	4,456	238	182,741
Banshoryō	241	10	6,907
Akō	5,504	197	165,378
Kōshun	4	..	..
Taitō	69	18	995
Total	33,323	1,300	1,066,022

Table IV.—RETURN showing Principal Articles of Import into the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Years 1902–1900.

Articles.	Port	1902.		1901.		1900.		Increase or Decrease in 1902 compared with—		Remarks.
		Quantity.	Value. £	Quantity.	Value. £	Quantity.	Value. £	1901. £	1900. £	
Kerosene	Tōkō ...	86,825	2,574	130,780	3,798	60,995	1,742	- 1,224	+ 832	
	Tōseki ...	27,560	873	87,110	2,695	51,170	1,642	- 1,822	- 769	
	Makyu ...	24,210	935	73,820	2,185	35,330	1,049	- 1,250	- 114	
	Hokkōkei ...	21,770	718	42,175	1,242	15,475	443	- 524	+ 275	
Nankeen cloth...	Tōkō ...	22,299	303	38,159	488	33,775	443	- 185	- 140	Brought over in junks from the China coast ports, and exchanged for Formosan products
	Tōseki ...	79,444	769	361,122	4,017	501,639	5,255	- 3,248	- 4,486	
	Makyu ...	192,087	1,987	213,957	2,831	256,986	3,035	- 844	- 1,048	
	Hokkōkei ...	228,563	2,761	425,031	4,547	452,018	4,692	- 1,786	- 1,931	
Rice	Tōseki ...	3,687	1,203	...	...	...	...	...	...	From China
	Makyu ...	7,840	3,938	...	2,042	...	1,423	+ 1,896	+ 2,515	In 1901 and 1902 about half the amount was imported from Japan and half from China; in 1900 the whole amount came from Japan
Saké	Makyu ...	...	2,012	...	1,807	...	1,826	+ 205	+ 186	From Japan, chiefly in cask
	Tōkō ...	...	1,196	...	1,575	...	1,841	- 379	- 145	China
	Tōseki ...	...	1,129	...	2,205	...	2,739	- 1,076	- 1,510	
	Makyu ...	...	3,573	...	4,766	...	1,756	- 1,183	+ 1,817	In 1902 half the amount came from Japan and half from China
Timber and planks	Hokkōkei ...	...	1,101	...	1,533	...	1,215	- 432	- 214	From China

Table V.—RETURN showing Principal Articles of Export from the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Years 1902–1900.

Articles.	Port.	1902.		1901.		1900.		Increase or Decrease in 1902 compared with—	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.		
Oil cake ..	Tōseki ..	Cwts. 17,670	£ 1,735	Cwts. 22,501	£ 2,522	Cwts. 10,526	£ 1,107	£ 787	£ 628
	Makyu ..	10,376	946	30,339	3,453	8,666	1,131	2,507	185
	Hokkōkei ..	17,973	1,552	23,807	2,218	18,770	1,884	666	332
Rice ..	Tōkō ..	20,630	5,314	41,755	9,288	43,380	10,603	3,974	5,289
	Tōseki ..	..	..	11,651	7,071	58,411	16,690	..	..
	Makyu ..	4,035	1,242	9,679	2,118	14,200	4,500	..	3,258
Sugar, brown ..	Hokkōkei ..	..	..	11,091	3,272	34,686	10,968	..	..
	Tōkō ..	211	73	..	..	..	..	..	..
	Tōseki ..	5,465	2,368	16,889	7,241	14,509	5,230	4,873	2,862
Sesamum seed ..	Hokkōkei ..	19,569	8,414	28,243	12,050	8,254	3,082	3,636	5,332
	Tōkō ..	1,648	621	..	..	..	..	..	..
	Tōseki ..	718	256	12,901	4,893	..	..	4,577	..
	Makyu ..	1,696	733	7,821	2,515	..	..	1,782	..

NOTE.—Principally to the Chinese coast ports, in exchange for kerosene, Chinese cloth and other articles which are brought over in junks.

Table VI.—RETURN of all Shipping at the Port of Tainan during the Years 1902-1901.

ENTERED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1902	16	14,051	2	1,034	18	15,085
	1901	11	13,947	4	2,031	15	15,978
German	1902	3	2,484	...	...	3	2,484
French	1901	1	896	...	...	1	896
Japanese	1902	34	25,719	...	...	34	25,719
	1901	29	26,385	...	...	29	26,385
Total	1902	53	41,254	2	1,034	55	43,288
	1901	41	41,228	4	2,031	45	43,259
Junks, Japanese ...	1902	...	...	83	1,976	83	1,976
	1901	...	...	108	2,445	108	2,445
„ Chinese	1902	...	...	68	2,326	68	2,326
	1901	...	...	117	4,050	117	4,050
Japanese, coast-wise	1902	280	357,108	...	...	280	357,108
	1901	309	368,170	...	...	309	368,170
Grand total	1902	333	399,362	153	5,386	486	404,698
	1901	350	409,398	229	8,526	579	417,924

CLEARED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	1902	16	14,051	2	1,034	18	15,085
	1901	12	13,993	4	2,031	16	16,024
German	1902	3	2,484	...	...	3	2,484
French	1901	1	896	...	...	1	896
Japanese	1902	31	20,399	...	...	31	20,399
	1901	28	24,859	...	...	28	24,859
Total	1902	50	36,934	2	1,034	52	37,968
	1901	41	39,748	4	2,031	45	41,779
Junks, Japanese ...	1902	...	...	62	1,541	62	1,541
	1901	...	...	60	1,469	60	1,469
„ Chinese	1902	...	...	80	2,542	80	2,542
	1901	...	...	99	3,326	99	3,326
Japanese, coast-wise	1902	280	357,108	...	...	280	357,108
	1901	317	379,261	...	...	317	379,261
Grand total	1902	330	394,042	144	5,117	474	399,159
	1901	358	419,009	163	6,826	521	425,835

Table VII.—RETURN of all Shipping (Exclusive of Junks, Coast-wise) at the Ports of Tōkō, Tōseki, Makyu and Hōkkōkei during the Year 1902.

ENTERED.

Port.	Nationality.	Steamers.		Junks.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Tōkō	Japanese ... ..	...	...	30	826	30	826
	Chinese ... ..	...	...	23	412	23	412
	Total ... ..	...	...	53	1,238	53	1,238
Tōseki	Japanese ... ..	...	...	25	667	25	667
	Chinese ... ..	...	...	40	845	40	845
	Total ... ..	...	...	65	1,512	65	1,512
Makyu (Pescadores)	Japanese (coast-wise)	147	198,275	60	1,387	207	199,662
	Chinese ... ..	...	...	23	594	23	594
	Total	147	198,275	83	1,981	230	200,256
Hōkkōkei	Japanese ... ..	...	...	4	122	4	122
	Chinese ... ..	...	...	28	1,187	28	1,187
	Total ... ..	...	...	32	1,309	32	1,309

CLEARED.

Port.	Nationality.	Steamers.		Junks.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Tōkō	Japanese ... ..	...	...	32	791	32	791
	Chinese ... ..	...	...	20	394	20	394
	Total ... ..	...	...	52	1,185	52	1,185
Tōseki	Japanese ... ..	...	...	14	400	14	400
	Chinese ... ..	...	...	37	787	37	787
	Total ... ..	...	...	51	1,187	51	1,187
Makyu (Pescadores)	Japanese (coast-wise)	147	198,275	79	1,990	226	200,265
	Chinese ... ..	...	...	15	421	15	421
	Total	147	198,275	94	2,411	241	200,686
Hōkkōkei	Japanese	3	110	3	110
	Chinese	29	1,172	29	1,172
	Total	32	1,282	32	1,282

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DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1903

ON THE

TRADE OF THE CONSULAR DISTRICT
OF TAINAN (SOUTH FORMOSA).

REFERENCE TO PREVIOUS REPORT, Annual Series No. 3000.

*Presented to both Houses of Parliament by Command of His Majesty,
SEPTEMBER, 1904.*

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1904.

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CONTENTS.

	PAGE
Total value of trade—	
General expansion	3
Import trade—	
Expansion of	3
Export trade—	
Expansion of	3
Total trade—	
Comparison with previous years	3
With Japan and foreign countries	4
Imports (vide Table I)—	
Shares of foreign countries and Japan	4
Imports from foreign countries	4
„ Japan	4
Analysis of import items	5
Kerosene	5
Flour	5
Rails and fittings and railway material	5
Prepared tobacco	5
Leaf „	5
Japanese produce	6
Exports (vide Table II)—	
Sugar	6
Export of sugar to Japan, China and Hong-Kong	6
Comparison with 1902	6
Market in 1903	6
Other exports	7
Rice	7
Shares of foreign countries and Japan	7
Special open ports (vide Tables III, IV, V)	7
Shipping returns—	
Anping and Takow (vide Table VI)	8
Total shipping—	
Inclusive of junks	8
Exclusive of junks	8
Foreign-going vessels	8
Japanese coasting vessels	9
Government railway	9
Population of—	
Formosa	9
Tainan City	9
Anping and Takow open ports	9
Subsidy to British Ice Company	9
Rate of exchange	9
Sources of information	9
Table I.—Import trade, Anping and Takow	10
„ II.—Export trade, Anping and Takow	13
„ III.—Import trade, Tōkō, Tōseki, Makyu, Hokkōkei	14
„ IV.—Export trade, Tōkō, Tōseki, Makyu, Hokkōkei	15
„ V.—Shipping return, Tōkō, Tōseki, Makyu, Hokkōkei	15
„ VI.— „ Anping and Takow	16

Reference to previous Report, Annual Series No. 3000.

Report on the Trade of the Consular District of Tainan (South Formosa) for the Year 1903

By MR. CONSUL WILEMAN.

(Tainan, July 9, 1904; received at Foreign Office, August 29, 1904.)

The total value of the import and export trade of this district, comprising the two open ports of Anping and Takow, which are the only ports open to British trade, was, in 1903, 1,115,901*l.*, and in 1902, 919,819*l.*, showing an increase for 1903 of 196,082*l.*

The total value of the import trade was, in 1903, 561,433*l.*, and in 1902, 423,311*l.*, showing an increase for 1903 of 138,122*l.*

The total value of the export trade was, in 1903, 554,468*l.*, and in 1902, 496,508*l.*, showing an increase for 1903 of 57,960*l.*

The foregoing figures are recapitulated in the following comparative table, which, in addition to the values for 1902 and 1903, also gives the average value for the five years 1893-1902 inclusive, and the increase in 1903 compared with 1902 and with the average value for five years, 1898-1902 :—

	Value.			Increase in 1903 compared with—	
	1903.	1902.	Average, Five Years 1898-1902.	1902.	Average, Five Years 1898-1902.
	£	£	£	£	£
Imports	561,433	423,311	392,996	138,122	168,437
Exports	554,468	496,508	487,421	57,960	67,047
Total	1,115,901	919,819	880,417	196,082	235,484

It will be noted that the total trade for 1903 exceeds the figures for the average value of the five years 1898-1902 by 235,484*l.*

Total trade
with Japan
and foreign
countries.

The following table shows the values of exports and imports for 1903 and 1902, to and from Japan and to and from foreign countries, respectively :—

	1903.			1902.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Japan	336,802	483,888	820,690	219,837	347,772	567,629
Foreign countries...	224,631	70,580	295,211	203,454	148,736	352,190
Total	561,433	554,468	1,115,901	423,311	496,508	919,819

Imports, vide
Table I.

The statistics of the import trade, which are shown in Table I annexed to this report and are briefly referred to in the foregoing table, are divided into imports from foreign countries (comprising foreign goods and Chinese produce) and imports from Japan, comprising Japanese produce.

During 1902 there was a decrease in the value of the import trade of 18,265*l.* as compared with that of 1901, so that the progress made during 1903 is clearly of a very satisfactory nature.

Share of
foreign
countries and
Japan in
import trade.

Both branches of the import trade, viz., imports from foreign countries and from Japan, have contributed to the expansion of the import trade in 1903, but in unequal proportions, as imports from the mother country exceed those entering from foreign countries by 112,171*l.* The trade with the mother country shows annually a large increase and will no doubt continue to maintain its superiority, the great aim of Japanese commercial policy in Formosa being to exclude foreign competition as far as possible. Many of the articles of import formerly supplied by foreign countries, especially China, are being ousted by Japanese articles to the detriment of foreign trade.

Imports from
foreign
countries.

The total value of imports from foreign countries in 1903 was 224,631*l.*, showing an increase over the figures for 1902 of 21,177*l.*, but, compared with the average of the five years 1898–1902, a decrease of 51,452*l.*

Imports from
Japan.

The total value of imports from Japan was 336,802*l.*, showing an increase of 116,945*l.* compared with 1902. Statistics from which the average value for the five years 1898–1902 could be compiled are not available earlier than 1900, so that no comparison with the value for 1903 can be made in the case of imports from Japan. The following comparative table, however, forcibly illustrates the course taken by imports from Japan and foreign countries during the four years 1900–03. It shows the steady annual increase in the value of the former and the equally steady decrease, up to 1902, of the latter. Last year, however, imports from foreign countries seem to have received an unwonted stimulus, as the total value for 1903 exceeded that for 1902 by 21,177*l.* :—

Year.	Imports from —	
	Japan.	Foreign Countries.
	£	£
1900	161,079	249,600
1901	203,627	237,949
1902	219,857	203,454
1903	336,802	224,631

The principal articles of import from foreign countries, mentioned in Table I under the heading of foreign goods, show an increase in the quantity and value of all items with the exception of miscellaneous cotton goods, kerosene, flour and miscellaneous articles, which show a decrease. Analysis of import items.

The import of kerosene oil was, in 1903, 829,925 gallons, value 24,649 $\frac{1}{2}$., as against 1,032,110 gallons, value 28,083 $\frac{1}{2}$., in 1902, and shows a decrease in value of 3,434 $\frac{1}{2}$. Kerosene.

In former years every junk entering the ports of Takow and Tōkō brought consignments of oil from Namoa and Swatow, but the oil trade has now practically passed into foreign hands, chiefly British, owing to the junk trade in this article between China and South Formosa having almost entirely ceased.

The deliveries of American oil, "Comet brand," during the year 1903 amounted to 92,000 cases, as against 7,000 cases Russian and 7,000 cases Sumatran, making a total of 106,000 cases. Prices ranged from 3 dol. 65 c. (6s. 3 $\frac{1}{2}$ d.) to 4 dol. (6s. 11d.) per case.

Flour was imported to the quantity of 21,586 cwts., value 10,360 $\frac{1}{2}$., and these figures show a slight decrease both in quantity and value as compared with 1902. Flour.

Two important items which did not find a place in the table of imports for 1902 are rails and fittings and railway material, which were imported to the value of 9,873 $\frac{1}{2}$ and 9,425 $\frac{1}{2}$ respectively, for use on the railway now in course of construction between Kelung in the north of the island and Takow in the south. Rails and fittings and railway material.

Under the heading of articles of Chinese produce a notable decrease in the quantity and value of prepared tobacco has taken place, only 15 cwts., of the value of 32 $\frac{1}{2}$., having been imported in 1903. This item has shown a steady decrease for the last six years, until the value of the import has almost reached zero. The decrease in value, as compared with the average value of the five years 1898–1902, is 20,217 $\frac{1}{2}$. The reason for this is attributable to the fact that, as noticed in previous reports, prepared tobacco has, owing to the high duty imposed upon it, been supplanted by leaf tobacco and also by large imports of cheap Japanese cigarettes from the mother country, which enter duty free. Prepared tobacco.

Leaf tobacco, which does not appear in the table of imports for 1902, was imported from China to the extent of 8,311 cwts., value (595) Leaf tobacco.

9,823*l.* The duty levied on this by the Japanese tariff is only 35 per cent. *ad valorem*, whilst that levied on prepared tobacco is 150 per cent. Importers have, therefore, found it more profitable to import leaf tobacco for the purpose of preparing the coarse tobacco used by the native Chinese instead of importing prepared tobacco at the higher duty.

Japanese
produce.

The principal articles of import under the heading of Japanese produce which show noteworthy increase are cotton piece-goods, which show an increase of over 10,000*l.*, timber and planks of over 9,000*l.*, cement and lime of 7,000*l.* and miscellaneous of 73,000*l.* Railway machinery, which does not appear in the table for 1902, was also imported from Japan to the value of 21,652*l.* for use on the new railway already mentioned.

Exports, vide
Table II.

The progress of the export trade in 1903 was almost as satisfactory as that made by the import trade, the total value of the export trade, 554,468*l.* only falling short of the total value of the import trade by 6,965*l.* The total value for 1903 exceeded that of 1902 by 57,960*l.*, and also showed an increase of 67,047*l.* over the average value of exports for the five years 1898-1902.

Sugar.

Sugar, which shares with rice the distinction of being one of the two chief products of South Formosa, monopolised in 1902 43 per cent. of the total value of exports, but last year the export showed a large decrease and only figured for 20 per cent. of the total value. In 1903 only 468,140 cwts. of sugar, value 238,438*l.*, were exported, as against 876,562 cwts., value 414,528*l.*, in 1902, showing a decrease of 176,090*l.* for last year and a decrease of 85,967*l.* as compared with the average value of the five years 1898-1902.

Export of
sugar to
Japan, China
and Hong-
Kong.

The following table gives the quantity and value of sugar exported to Japan and to China and Hong-Kong respectively during 1903 :—

Description.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£	Cwts.	£
Brown sugar ...	430,350	216,281	14,724	6,960	445,074	223,241
White " ...	1,226	845	21,840	14,352	23,066	15,197
Total ...	431,576	217,126	36,564	21,312	468,140	238,438

Comparison
with 1902.

As compared with the figures for 1902 there is a large decrease in the quantity and value of sugar exported both to Japan and to China and Hong-Kong, but exports to the latter countries have decreased in a greater ratio than those to Japan, as only 36,564 cwts. of sugar, value 21,312*l.*, was exported to China and Hong-Kong, as against 876,562 cwts., value 414,528*l.*, to Japan. The fact of the matter is that the sugar trade with North China is annually decreasing and is entirely in the hands of Chinese merchants.

Market in
1903.

The output for 1903 was below the average, and prices ruled high. The market opened in January at 5 dol. 40 c. per picul (9*s.* 4*d.* per 1 $\frac{3}{10}$ cwts.) for the common Takow brown, and 6 dol. (10*s.* 4 $\frac{1}{2}$ *d.*)

for first grade, as against 4 dol. 60 c. (7s. 11½d.) and 5 dol. 10 c. (8s. 10d.) in 1902, and 4 dol. 25 c. (7s. 4d.) and 4 dol. 75 c. (8s. 2½d.) in 1901.

Prices advanced towards the end of the season to 6 dol. 20 c. (10s. 8½d.) and 6 dol. 80 c. (11s. 9d.). The consumption tax levied on sugar and a shortage in last year's crop account, in a great measure, for the increase in the cost of Formosan sugars. For the first time in recent years no sugars were shipped by British merchants to North China, and with the ever-increasing cost of sugars it seems probable that the North China market will have to be supplied from other localities. The Formosan sugar factory appears to absorb a large proportion of the cane cultivated between Tainan and Takow. Additional small mills are being erected throughout the sugar districts under Government protection, and it seems probable that the growth of sugar cane will show a large increase in the near future.

Other exports mentioned in Table II show, with the exception of Other turmeric, pineapple fibre, bamboo shoots and the Government ^{exports.} monopoly of salt, values in excess of those of 1902, rice being foremost with a total increase of 236,107l.

The rice crop in Formosa for 1903 was an average crop and was ^{Rice.} exported to the extent of 684,729 cwts., value 251,648l., as against 49,012 cwts., value 15,541l., in 1902, showing an increased export of 635,717 cwts., value 236,107l. The greater part of this was taken by Japan, where there was an unusually large demand for Formosan rice in 1903.

As has already been shown in the case of imports the mother ^{Shares of} country is also annually monopolising a constantly increasing share ^{foreign} of the exports of South Formosa, as will be observed from the follow- ^{countries and} ing figures for the years 1901-03. Unfortunately statistics for ex- ^{Japan in} ports to foreign countries are not obtainable earlier than 1901, so ^{export trade.} that no comparisons can be made previous to that date :—

	Value.			Increase or Decrease in 1903 compared with—	
	1903.	1902.	1901.	1902.	1901.
Exports to foreign countries ...	£ 70,580	£ 148,736	£ 160,231	- 78,156	- 89,651
" Japan ...	£ 483,888	£ 347,772	£ 255,953	+ 136,116	+ 227,935
Total ...	£ 554,468	£ 496,508	£ 416,184	+ 57,960	+ 138,284

From the foregoing table it will be noted that exports to foreign countries, which are principally monopolised by China, have gradually dwindled from 160,231l. in 1901 to 70,580l. in 1903, whilst exports to Japan have steadily increased from 255,953l. in 1901 to 483,888l. in 1903.

The following comparative table gives the value of the import and ^{Special open} export trade for 1903-1902 of four special open ports opened by a ^{ports, vide} notification of the Formosan Governor, issued in August, 1899. ^{Tables III} IV, V.

Only ships of Chinese construction, namely, junks, may enter and clear at these ports, and other foreign vessels may not import or export cargoes without special permission from the Governor-General:—

Port.	1903.			1902.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Tōkō	7,280	4,267	11,547	11,324	7,346	18,670
Tōseki	7,629	8,267	15,896	8,962	6,682	15,644
Makyu (Pescadores)	37,042	5,656	42,698	26,834	7,615	34,449
Hokkōkei	3,860	4,620	8,480	8,188	12,188	20,376
Total	55,811	22,810	78,621	55,308	33,831	89,139

The quantity and value of the principal articles of import and export to and from these four ports are shown in Tables III and IV, and the shipping entered and cleared is given in Table V.

The total value of the trade of Makyu (Chinese pronunciation, Makung), which is the most important of these four ports, increased during the year 1903 by 8,249%, but the grand total of the trade of the four ports has decreased by 10,518%.

Statistics of all shipping entered and cleared at the open ports of Anping and Takow during the years 1903 and 1902 are given in Table VI annexed to this report.

The total number of vessels of all classes entered and cleared, including foreign-going steamers and sailing vessels, Japanese coasting steamers, and Japanese and Chinese junks was 976 vessels of 914,788 tons, showing for 1903 an increase of 16 vessels and 110,900 tons.

The total number of vessels entered and cleared, exclusive of junks, was 709 of 907,725 tons, showing an increase of 42 of 112,253 tons, which was shared by entries and clearances in the following proportions:—entries, 20 of 52,695 tons; clearances, 22 of 59,558 tons.

The number of foreign-going vessels entered and cleared during 1903 was 71 vessels of 54,080 tons, showing a total decrease as compared with 1902 of 38 vessels of 28,718 tons, which was shared by British, German and Japanese vessels in the following proportions:—

Nationality.				Number of Vessels.	Quantity.
					Tons.
British .. ..	..	..	..	22	16,064
German .. ..	..	..	..	6	4,968
Japanese .. ..	..	..	..	10	7,686
Total .. ..	..	..	..	38	28,718

Shipping return for Anping and Takow, vide Table VI.

Total shipping for 1903, inclusive of junks.

Exclusive of junks.

Foreign-going vessels.

The decrease in the total of vessels and tonnage as regards foreign-going vessels has, however, been compensated for by the increase in the number and tonnage of Japanese coasting vessels. Steamers engaged in the coasting trade round the island and between Japan and Formosa entered and cleared to the extent of 638 vessels of 853,645 tons, as against 560 of 714,216 tons in 1902, showing the satisfactory increase of 78 vessels of 139,429 tons for 1903.

Japanese coasting vessels.

Chinese and Japanese junks entered and cleared to the number of 129 of 3,234 tons, as against 157 of 4,302 tons in 1902, showing a decrease of 22 junks of 1,068 tons. These ply between Formosa and the mainland of China, but the numbers are annually decreasing owing to steam competition.

Chinese and Japanese junks.

The construction of the trunk railway of 230 miles, which is ultimately to connect Takow in the south with the capital, Taihoku, and Kelung in the north, was proceeded with slowly last year. A northern section of 95 miles from Kelung to Sausaga (Chinese pronunciation, Saushako) and a southern section from Takow to Tarimu (Chinese pronunciation, Talibu) of 81 miles were open to traffic during last year, giving a total mileage of 176 miles. Work is being proceeded with on the central section of 60 miles between Sausaga and Tarimu, which two points are temporarily connected by a Décauville truck railway for the conveyance of passengers travelling by the railway north or south.

Government railway.

The total population of the Island of Formosa, of the city of Tainan, and of the two open ports of Anping and Takow in 1903 was as follows :—

Population.

Formosa, 2,855,084 inhabitants, including 1,320,629 natives and 47,062 Japanese.

Formosa.

Tainan City, 48,097 inhabitants, including 43,230 natives and 4,867 Japanese.

Tainan City.

Anping, 5,683 inhabitants, including 5,330 natives and 353 Japanese.

Anping open port

Takow, 4,738 inhabitants, including 4,288 natives and 450 Japanese.

Takow open port.

The subsidy of 3,000 yen (312*l.*) granted in 1901 to the South Formosa Ice Company by the Governor-General, and referred to in previous reports, was granted also for the financial year April 1, 1903, to March 31, 1904, on the same conditions as before.

Subsidy to British Ice Company.

All calculations for the conversion of gold yen currency into sterling have been made at the rate of 1 yen equals 2*s.* 1*d.*

Rate of exchange.

I am highly indebted to the Superintendent of Customs at this port for allowing me access to his records, whereby I have been enabled to compile this report at an earlier date than would otherwise have been possible, owing to the fact that the annual customs returns for 1903, issued by the Governor-General, have not yet been compiled. Mr. A. W. Bain and Mr. H. W. Arthur, of Messrs. Bain and Co., and Mr. R. N. Ohly, have also kindly supplied me with much information.

Sources of information.

Table I.—RETURN showing Principal Articles of Import into the Open Ports of Anping and Takow during the Years 1903-1902, and Average of Imports for the Five Years 1898-1902.

Articles.	1903.		1902.		Average, Five Years 1898-1902 (inclusive).		Increase or Decrease in 1903 compared with—		Remarks.	
	Quantity.	Value. £	Quantity.	Value. £	Quantity.	Value. £	1902. £	Average, Five Years 1898-1902. £		
FOREIGN GOODS.										
Cotton goods—										
Grey shirtings	Yards	362,958	3,002	313,821	2,492	576,732	4,505	+	510	Trade entirely in the hands of native (Chinese) merchants, who purchase the goods in Hong-Kong, chiefly at auction
White "	"	418,228	6,629	327,586	4,493	490,196	6,389	+	1,536	
Miscellaneous		...	1,593	...	6,570	...	4,799	-	4,977	
Woolen goods—										
Camlets and lastings	Yards	110,301	3,754	73,390	2,422	148,690	4,757	+	1,332	Chiefly iron rods and nails For use on the Formosan Government Railway
Metals, miscellaneous	Cwts.	...	5,902	...	4,852	...	4,314	+	1,050	
Rails and fittings	Cwts.	30,161	9,873	
Railway materials	Gallons	12,255	9,425	1,032,110	28,083	995,815	25,836	-	3,434	Chiefly American Anglo-Swiss brand, imported by Chinese dealers from Hong-Kong
Kerosene	Cwts.	828,925	24,649	30	1,074	40	1,500	+	1,423	
Ginseng	Cwts.	36	2,497	24,720	10,436	21,221	9,441	-	76	
Flour	Dosen	21,588	10,380	5,820	1,432	6,340	1,616	+	356	
Condensed milk		7,625	1,788	...	...	...	...	...	...
Gunny bags	Number	492,168	7,387	...	...	...	...	...	...
CHINESE PRODUCTS.										
Bags, hemp	"	213,222	1,640	97,335	599	371,516	2,744	+	1,041	Used for packing rice
Male, for packing	"	1,996,817	11,943	1,098,021	13,086	1,015,463	6,581	-	1,143	" sugar and salt for export
Jose-sticks	Cwts.	2,208	1,162	2,893	1,800	4,607	2,480	-	438	Decrease due to high tariff and competition of cheap Japanese cigarettes, which enter duty free
Tobacco, prepared	"	15	32	687	1,392	7,874	20,249	-	1,360	
leaf	"	8,511	9,823	...	7,114	...	11,258	...	4,922		Appears for first time
Timber and planks	"	...	6,386	...	11,418	...	31,360	-	26,797	Chiefly poles from Foochow
Cotton piece-goods	Yards	370,656	4,563	1,016,903	4,970	...	5,555	+	1,544	Decrease due to the competition of Japanese piece-goods, which enter duty free
Linen and cotton mixtures	"	487,039	6,514	340,660	1,636	...	4,808	+	158	
Grass-cloths	"	121,570	1,794	90,128	1,762	...	3,008	+	678	
Cotton, raw	Cwts.	1,204	2,427	848	7,770	...	12,925	+	2,757	Including joss paper
Paper	"	...	5,013	...	2,099	...	3,180	-	208	
Porcelain and earthenware	"	...	1,890	...	83,165	...	94,684	-	2,930		" re-imports
Miscellaneous	"	...	86,235	...	203,454	...	276,083	+	21,177	
Total		...	224,631	...	203,454	...	276,083	+	21,177	

RETURN showing Principal Articles of Import into the open Ports of Anping and Takow during the Years 1903-1900.

Articles.	Value.				Increase or Decrease in 1903 compared with—			Remarks.
	1903.	1902.	1901.	1900.	1902.	1901.	1900.	
	£	£	£	£	£	£	£	
JAPANESE PRODUCE.								
Beer ..	4,602	6,527	6,794	2,969	-	2,192	+	1,633
Cement and lime ..	8,400	1,894	3,449	1,446	+	4,951	+	6,954
Cotton piece-goods ..	48,863	33,060	28,965	5,805	+	14,898	+	38,058
Drugs and medicines ..	3,237	2,531	2,354	2,197	+	883	+	1,040
Fish, salt and dried ..	1,222	2,888	3,261	1,762	-	2,039	-	540
Matches ..	7,002	8,672	7,672	4,894	-	670	+	2,118
Metalware ..	3,410	1,881	5,284	3,789	+	1,874	-	329
Paper ..	4,683	5,888	3,950	2,777	-	733	+	1,906
Provisions, tinned, &c. ..	4,585	3,544	15,069	9,457	+	10,454	-	4,872
Railway materials ..	7,700	8,237	15,273	31,594	-	7,573	-	23,894
" machinery ..	21,652							
Rice ..	4,453	7,445	3,141	1,973	-	1,312	+	2,480
Saké ..	20,812	20,432	23,634	18,070	+	2,822	+	7,742
Soy ..	4,027	5,207	4,596	2,842	-	509	+	1,185
Timber and planks ..	22,292	13,177	23,017	27,048	+	725	-	4,756
Tobacco (cigarettes) ..	8,645	13,025	2,990	2,255	-	5,655	+	6,390
Cuttlefish ..	3,182							
Glass and glassware ..	1,372							
Beans, peas and other grains ..	2,621							
Miscellaneous ..	159,042	86,009	54,268	47,261	+	104,774	+	111,781
Total ..	336,802	219,857	203,627	161,079	+	138,175	+	175,723

NOTE.—Statistics of imports from Japan prior to 1900 are not obtainable. For the purpose of comparison, therefore, the figures for the years 1900, 1901 and 1902 have been given instead of the average of five years as in the case of imports from abroad.

RECAPITULATION.

Year.					Total Value.		Grand Total.
					Foreign Goods and Chinese Produce.	Japanese Produce.	
					£	£	£
1903	..	..	..	..	224,631	336,802	561,433
1902	..	..	..	..	203,454	219,857	423,311
1901	..	..	..	..	..	203,627	441,576
1900	..	..	..	..	..	161,079	410,379
Increase in 1903 compared with--							
1902	..	..	..	..	21,177	116,945	138,122
1901	..	..	..	..	..	133,175	119,857
1900	..	..	..	..	..	175,723	150,754

Table II.—Return showing Principal Articles of Export from the Open Ports of Anping and Takow during the Years 1903-1902, and Average of Exports for the Five Years 1898-1902.

Articles.	1903.		1902.		Average, Five Years (inclusive).		Increase or Decrease in 1903 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	1902.		
	Cwts.	£	Cwts.	£	Cwts.	£	£		
Sugar—									
Brown ..	445,074	223,241	809,185	372,087	633,261	270,292	- 148,846	- 47,051 } Decrease due to short crop	
White ..	26,066	15,197	67,377	42,441	71,205	54,113	- 27,244	- 38,916 }	
Rice ..	684,729	251,648	49,012	15,541	31,500	102,044	+ 236,107	+ 149,604 } Increase due to large exports to Japan in 1903	
Hemp ..	9,669	14,669	8,916	12,965	7,291	12,410	+ 1,704	+ 2,259 } The China grass plant, which is exported to China, chiefly to Swatow, for the manufacture of grass-cloth, which is then re-imported into Formosa	
Lungan—									
Pulp ..	8,961	8,214	6,386	5,328	7,236	7,250	+ 2,886	+ 964 } The lungan fruit (<i>Nephelium longana</i>) is used as food. Exported to Tientsin, Ningpo and Shanghai. A beverage resembling tea is also prepared from it which is valued by the natives as a stomachic	
Dried ..	11,509	3,970	4,961	1,980	8,015	3,258	+ 1,990	+ 712 }	
Turmeric ..	6,307	2,286	19,300	9,204	25,604	11,176	- 6,918	- 8,890 } Used for dyeing. To Hong-Kong and Shanghai	
Sesamum seed ..	5,579	2,420	4,643	2,302	10,505	4,307	+ 118	- 1,887 } Used for food, lamp oil and manure oil cakes. To Amoy and Hong-Kong	
Oil cake ..	19,344	1,743	13,309	1,312	36,853	4,199	+ 431	- 2,456 } Made from groundnuts, chiefly used as a manure for tobacco plants. To Amoy	
Pineapple fibre ..	762	2,080	924	2,582	706	1,751	- 502	+ 279 } To Swatow. Used for making a fine kind of grass-cloth	
Bamboo shoots ..	1,055	1,212	1,925	2,070	1,155	1,240	- 858	- 28 } To Amoy and Hong-Kong. Used for food	
Beans, peas and pulse ..	6,852	1,988	1,200	469	9,187	2,691	+ 1,464	- 758 } To Amoy. For food	
Salt ..	370,335	6,488	748,660	12,588	..	..	- 6,080	.. } Appeared first as an export in 1901. The whole amount goes to Japan
Miscellaneous ..	..	19,877	..	15,799	..	12,630	+ 3,578	+ 6,087 } Including re-exports
Total ..	..	554,428	..	496,598	..	487,421	+ 57,960	+ 67,047 }

Table III.—RETURN showing Principal Articles of Import into the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Years 1903–1902.

Articles.	Port.	1903.		1902.		Increase or Decrease in 1903 compared with 1902.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Kerosene	Tōkō ..	17,810	£ 506	86,825	£ 2,574	—	£ 2,068
	Tōseki ..	8,470	317	27,560	873	—	556
	Makyu ..	20,855	702	24,310	935	—	233
	Hokkōkei ..	1,050	37	21,770	718	—	681
Nankeen cloth ..	Tōkō ..	..	100	..	303	—	203
	Tōseki ..	..	614	..	769	—	155
	Makyu ..	..	868	..	1,987	—	1,119
	Hokkōkei ..	..	613	..	2,761	—	2,148
Rice	Tōseki ..	..	..	3,687	1,203	..	..
	Makyu ..	2,282	3,628	7,540	3,938	—	310
Saté	Makyu ..	..	2,464	..	2,012	..	452
Timber and planks	Tōkō ..	..	1,284	..	1,196	..	88
	Tōseki ..	..	1,864	..	1,129	..	735
	Makyu ..	..	3,054	..	3,573	..	519
	Hokkōkei ..	..	866	..	1,101	..	235

Table IV.—RETURN showing Principal Articles of Export from the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Years 1903–1902.

Articles.	Port.	1903.		1902.		Increase or Decrease in 1903 compared with 1902.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
		Cwts.	£	Cwts.	£	Cwts.	£
Oil cake	Tōkō	1,688	144	...	...	...	...
	Tōseki	13,662	1,288	17,670	1,735	– 4,108	– 447
	Makyu	5,933	695	10,376	948	– 4,443	– 251
	Hokkōkei	9,735	852	17,973	1,552	– 8,238	– 700
Rice	Tōkō	5,291	1,491	20,630	5,314	– 15,339	– 3,823
	Tōseki	3,280	1,000	...	...	...	...
	Makyu	3,216	1,009	4,035	1,242	– 819	– 233
	Hokkōkei	2,216	787	...	...	...	...
Sugar, brown	Tōkō ... ..	...	...	211	73	– 211	– 73
	Tōseki	1,480	685	5,465	2,368	– 3,985	– 1,683
	Hokkōkei	2,186	957	19,569	8,414	– 17,382	– 7,457
Sesamum seed	Tōkō	2,890	1,187	1,648	621	+ 1,242	+ 566
	Tōseki	446	206	718	356	– 272	– 50
	Makyu	529	377	1,696	733	– 1,167	– 356
	Hokkōkei	63	27	...	...	...	...

Table V.—RETURN of all Shipping (exclusive of Junks, Coastwise) at the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Year 1903.

ENTERED.

Port.	Nationality.	Steamers.		Junks.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Tōkō	Japanese ... ..	...	...	22	546	22	546
	Chinese ... ..	...	...	10	201	10	201
	Total ... ..	...	...	32	747	32	747
Tōseki	Japanese ... ..	...	...	32	752	32	752
	Chinese ... ..	...	...	35	745	35	745
	Total ... ..	...	...	67	1,497	67	1,497
Makyu (Pescadores)	Japanese (coastwise)	115	140,258	59	1,306	174	141,563
	Chinese ... ..	...	...	14	409	14	409
	Total	115	140,258	73	1,714	188	141,972
Hokkōkei	Japanese ... ..	...	...	4	97	4	97
	Chinese ... ..	...	...	17	507	17	507
	Total ... ..	...	...	21	604	21	604

CLEARED.

Port.	Nationality.	Steamers.		Junks.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Tōkō	Japanese ...	...	...	23	492	23	492
	Chinese ...	...	...	10	196	10	196
	Total ...	...	...	33	688	33	688
Tōseki	Japanese ...	...	...	29	631	29	631
	Chinese ...	...	...	37	784	37	784
	Total ...	...	...	66	1,415	66	1,415
Makyu (Pescadores)	Japanese (coast-wise) ...	115	140,308	57	1,400	172	141,708
	Chinese ...	...	...	18	450	18	450
	Total ...	115	140,308	75	1,850	190	142,158
Hokkōkei	Japanese ...	...	...	4	99	4	99
	Chinese ...	...	...	18	618	18	618
	Total ...	...	...	22	717	22	717

Table VI.—RETURN of all Shipping at the Open Ports of Anping and Takow during the Years 1903–1902.

ENTERED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Foreign going—							
British	1903	4	4,369	3	2,684	7	7,053
	1902	16	14,051	2	1,034	18	15,085
German	1903	3	2,484	...	...	3	2,484
Norwegian	1903	1	771	...	...	1	771
Japanese	1903	29	21,089	...	...	29	21,089
	1902	34	25,719	...	...	34	25,719
Total	1903	34	26,229	3	2,684	37	28,913
	1902	53	42,254	2	1,034	55	43,288
Japanese coasting steamers	1903	318	424,178	...	...	318	424,178
	1902	280	357,108	...	...	280	357,108
Junks, Japanese	1903	...	...	68	1,435	68	1,435
	1902	...	...	83	1,976	83	1,976
,, Chinese	1903	...	...	61	1,799	61	1,799
	1902	...	...	68	2,326	68	2,326
Total	1903	...	...	129	3,234	129	3,234
	1902	...	...	151	4,302	151	4,302
Foreign-going,	1903	34	26,229	3	2,684	37	28,913
Japanese coasting	1903	318	424,178	...	...	318	424,178
Junks	1903	...	...	129	3,234	129	3,234
Grand total	1903	352	450,407	132	5,918	484	456,325
	1902	333	399,362	153	5,336	486	404,698

CLEARED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Foreign going—							
British ...	1903	4	4,369	3	2,684	7	7,053
	1902	16	14,051	2	1,034	18	15,085
German ...	1902	3	2,484	...	...	3	2,484
Norwegian ...	1903	1	771	...	...	1	771
Japanese ...	1903	26	17,343	...	...	26	17,343
	1902	31	20,399	...	...	31	20,399
Total ...	1903	31	22,483	3	2,684	34	25,167
	1902	50	36,934	2	1,034	52	37,968
Japanese coasting steamers ...	1903	320	429,467	...	...	320	429,467
	1902	280	357,108	...	...	280	357,108
Junks, Japanese ...	1903	...	...	75	1,608	75	1,608
	1902	...	...	62	1,641	62	1,641
„ Chinese ...	1903	...	...	63	2,221	63	2,221
	1902	...	...	80	2,542	80	2,542
Total ...	1903	...	...	138	3,829	138	3,829
	1902	...	...	142	4,083	142	4,083
Foreign-going ...	1903	31	22,483	3	2,684	34	25,167
Japanese coasting	1903	320	429,467	...	...	320	429,467
Junks ...	1903	...	...	138	3,829	138	3,829
Grand total ...	1903	351	451,950	141	6,513	492	458,463
	1902	330	394,042	144	5,117	474	399,159

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DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1904

ON THE

TRADE OF THE CONSULAR DISTRICT OF TAINAN
(SOUTH FORMOSA).

REFERENCE TO PREVIOUS REPORT, Annual Series No. 3276.

Presented to both Houses of Parliament by Command of His Majesty,
AUGUST, 1905.

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CONTENTS.

	PAGE
Total value of trade—	
Increase of	3
Import trade—	
Decrease of	3
Export trade—	
Increase of	3
Total trade—	
Comparison with previous years	3
Between Japan and foreign countries.....	3
Percentages of total trade.....	4
Imports (vide Tables I, II)	4
From foreign countries	4
„ Japan.....	4
Shares of Japan and foreign countries	4
Decrease in import trade, reasons for	4
Analysis of	5
Exports (vide Table III)	6
To foreign countries	6
Excess of imports over exports.....	6
Shares of foreign countries and Japan	7
Sugar	7
Review of sugar market.....	8
Rice	8
Salt	8
Semi-open ports (vide Tables IV, V, VI)	9
Shipping returns (vide Table VII)	9
Trans-Formosan Government Railway	11
Subsidy to British Ice Company	12
Openings for British goods	12
British machinery catalogues, hints for improvement of.....	14
Postal address	14
British firms in Consular district.....	14
Rate of exchange	14
Statistical tables.....	15

Reference to previous Report, Annual Series No. 3276.

Report on the Trade of the Consular District of Tainan (South Formosa) for the Year 1904

By MR. CONSUL WILEMAN.

(Tainan, June 29, 1905; received at Foreign Office, July 31, 1905.)

The total value of the import and export trade of the two open ports of Anping and Takow, which are the only two ports in this district open to foreign trade, was 1,224,197*l.* against 1,115,861*l.* in 1903, showing an increase in 1904 of 108,336*l.*

The total value of the import trade was 522,892*l.* against 561,433*l.* in 1903, showing a decrease in 1904 of 38,541*l.* This decrease was caused by a great falling-off in imports from Japan.

The total value of the export trade was 701,305*l.* against 554,428*l.* in 1903, showing an increase in 1904 of 146,877*l.*

The following comparative table gives the total values of the import and export trade for the years 1903 and 1904, and the average for the five years 1899-1903 :—

		1904.	1903.	Average, Five Years 1899-1903.	Increase or Decrease in 1904 compared with—	
					1903.	Average, Five Years 1899-1903.
		£	£	£	£	£
Imports	.. ..	522,892	561,433	431,361	- 88,541	+ 91,531
Exports	.. ..	701,305	554,428	449,705	+ 146,877	+ 251,600
Total	.. ..	1,224,197	1,115,861	881,066	+ 108,336	+ 343,131

The total trade for 1904 exceeded the figures for the average value of the five years 1899-1903 by 343,131*l.*

The following comparative table shows the total values of imports and exports for 1903 and 1904 from and to Japan and from and to foreign countries respectively :—

Country.	Value.		
	Imports.	Exports.	Total.
	£	£	£
Japan	258,222	634,447	892,669
China	109,742	56,523	166,265
United States of America, including Philippine Islands..	66,928	..	66,928
United Kingdom and colonies, comprising Hong-Kong only	62,565	10,335	72,900
Germany	9,234	..	9,234
Other countries	16,201	..	16,201
Total	522,892	701,305	1,224,197

Total trade.
Foreign
countries.

The total volume of the import and export trade with foreign countries, amounting to 331,528%, exceeded that of 1903 by 36,317%.

Percentages
of total trade.

Japan had 73 per cent. of the total trade, and the remaining 27 per cent. was divided as follows:—China 13 per cent., the United Kingdom 6 per cent., the United States of America 5 per cent., Germany 1 per cent. and other countries 2 per cent.

Imports (vide
Table I).

The statistics of the import trade, which are shown in Table I annexed to this report, are divided into imports from foreign countries and from Japan.

Imports from
foreign
countries.

The total value of goods imported from foreign countries was 264,670% against 224,631% in 1903, showing an increase of 40,039% in 1904; compared with the average of the five years 1899–1903 there was a decrease of 33,011% in 1904.

Imports from
Japan.

The total value of goods imported from Japan was 258,222% against 336,802% in 1903, showing the large decrease of 78,580% in 1904.

Shares of
Japan and
foreign
countries in
the import
trade.

The percentages of the import trade were distributed in the following manner:—Japan 49 per cent., China 21 per cent., the United States of America 13 per cent., the United Kingdom 12 per cent., Germany 2 per cent., other countries 3 per cent. The United Kingdom, although taking third place as regards the percentage of the total trade, only takes fourth in the case of imports.

Reasons for
decrease in
import trade.

Several reasons may be assigned for the conspicuous decrease in the import trade from Japan, which has caused such a shrinkage in the total value of the import trade for the year. The principal one is that Japanese merchants in Japan realised a greater profit on their goods by sending them to Manchuria and Corea for the use of the Japanese forces, and therefore they did not send them to South Formosa. In the second place, the carrying trade between Japan and Formosa was, at the commencement of the war, somewhat disorganised by the requisition of coasting steamers belonging to the Osaka Shosen Kaisha for Government use, notwithstanding that many foreign vessels were chartered to supplement the deficiency. Other reasons were that the Japanese residents in

Formosa decreased owing to the war, and that economy became necessary amongst all classes in order to meet the demands made by large increases in taxation and enhanced prices of the necessities of life.

The following comparative table shows the total values of imports from Japan and foreign countries during the years 1900-04 :—

Year.					Imports from—	
					Japan.	Foreign Countries.
					£	£
1900	..	..	..	..	161,079	249,603
1901	..	..	..	..	203,627	237,949
1902	..	..	..	..	219,857	203,454
1903	..	..	..	..	336,802	224,631
1904	..	..	..	..	253,222	264,670

Reference to the returns of imports of foreign and Chinese goods (vide Table I) shows increases in 11 principal articles of import, whilst decreases are shown in 14 items. Analysis of imports.

Increases are most conspicuous in the cases of rails and fittings, kerosene, gunny bags, refined sugar, tobacco leaf and timber; decreases in the cases of grey and white shirtings, miscellaneous cotton goods, metals, railway materials, Chinese cotton piece-goods, and linen and cotton mixtures.

Under the heading of rails and fittings there is a large increase of 9,666%, exceptional activity having been displayed in pushing forward the Formosan trunk railway during the course of 1904. A large cargo of 10,000 steel rails and other railway fittings arrived at Takow from New York in October, consigned by an American firm on behalf of a British firm. Rails and fittings.

Kerosene was imported to the extent of 1,733,525 gallons, valued at 39,089%, against 829,925 gallons, valued at 24,649%, in 1903, showing an increase of 903,600 gallons, valued at 14,440%. Kerosene.

The imposition of a consumption tax for the first time on kerosene in April, and of a further customs import duty in October, caused importers to make large importations in anticipation of these new taxes in order to evade the higher duties. The extension of the Formosan Railway has also had a great influence in fostering a large demand for oil owing to increased facilities of transport and communication with the coast.

The item of 27,598 cwts. of refined sugar, valued at 20,392%, demands a special explanation, as it ranks third in value on the list of imports from foreign countries and monopolises 8 per cent. of their total value. The importation of refined sugar never figures in the customs returns to any such extent as would commend it for special notice, and the present importation was an exceptional event. Large quantities of refined white sugar were imported via Hong-Kong to Anping in the months of March and April in (822) Refined sugar.

anticipation of the increased consumption tax on sugar which came into operation on April 1.

Consignments amounting to the value of 14,433*l.* reached Anping in time to evade the new tax, but other consignments, valued at 5,150*l.*, reaching in April arrived too late. The reason for importing refined sugar into Anping—which is one of the centres for the export of South Formosan raw sugar, and whence raw sugar is extensively exported to Japan—is attributable to the fact that there was no time to ship the cargo to its destined port, Yokohama, before the new tax came into force. It was considered advisable therefore to import it into Anping for re-export to Yokohama where it would be exempted from the new tax in view of its having been exported from a Japanese port.

Leaf tobacco and prepared tobacco.

Leaf tobacco, which was imported to the extent of 9,823 cwts., value 11,923*l.*, shows an increase of 2,109*l.* as compared with the figures for 1903. Prepared tobacco still maintains the low figure of value to which it has gradually dropped within recent years, the reasons for which have appeared in previous trade reports.

The duty on prepared tobacco was raised from 150 to 250 per cent. *ad valorem* by the new tariff, which came into force on October 1, whilst that on leaf tobacco remained the same as before, viz., 35 per cent. *ad valorem*. The growth of leaf tobacco has lately considerably increased in Formosa, and it is manufactured into cut tobacco for the use of the Formosan Chinese.

Japanese goods.

Under the heading of Japanese goods (vide Table I), four items only show increases, represented by drugs and medicines, matches, railway materials and timber, the increase in the latter two being the most conspicuous. All other items show a decrease in value, which accounts for the large and unusual deficit of 78,580*l.* in the total value of the import trade.

Exports.

The total value of the export trade shows a satisfactory increase during the year, in marked contrast to the figures for the total import trade. The increase as compared with 1903 was 146,877*l.*, and as compared with the average value for the five years 1899–1903 was 251,600*l.*, being attributable to greatly increased exports of raw sugar, salt and miscellaneous articles.

Total value of export trade to foreign countries and Japan.
Excess of imports over exports.
Foreign countries.

The total value of the export trade to foreign countries in 1904 was 66,858*l.*, and to Japan 634,447*l.*

Imports from foreign countries show an excess over exports to foreign countries of 197,812*l.* as follows:—

				Value.
				<i>£</i>
Imports from foreign countries	..	..	..	264,670
Exports to	..	..	..	66,858
Excess of imports	..	..	..	197,812

It is worthy of remark that the total foreign trade of Japan for

1904 also shows an excess of imports over exports caused by the Russo-Japanese war. The total trade of South Formosa, however, inclusive of the trade with Japan, shows in 1904 an excess of exports over imports to the value of 178,413*l.*, thus reversing the situation as regards the trade to and from foreign countries.

The following table summarises the total values of the shares of Japan and foreign countries in the export trade during the years 1901-04:—

	Value.				Increase or Decrease in 1904 compared with—			Shares of foreign countries and Japan in export trade.
	1904.	1903.	1902.	1901.	1903.	1902.	1901.	
	£	£	£	£	£	£	£	
Foreign countries ...	60,858	70,540	148,736	160,231	- 3,682	- 81,878	- 93,373	
Japan ...	634,447	483,888	347,772	255,953	+ 150,559	+ 286,076	+ 378,494	
Total ...	701,305	554,428	496,508	416,184	+ 146,877	+ 204,797	+ 285,121	

From the foregoing table it will be observed that the export trade to foreign countries has been annually declining since 1901, and that the export trade to Japan has on the contrary advanced with rapid strides.

The total value of the export trade in 1904 was divided between Japan, China and the United Kingdom and colonies in the following proportions:—Japan 90½ per cent., China 8½ per cent. and the United Kingdom and colonies 1 per cent.

Percentage of shares of foreign countries and Japan.

It may be mentioned, however, that the exports assigned to the United Kingdom and colonies go to Hong-Kong only, there being practically no direct trade with the United Kingdom, or any other of her colonies, except Hong-Kong.

In 1904 there was an unprecedented activity in the shipment of raw sugar to Japan, and fortunately the exportation was, judging from the results, not seriously affected by the war.

The total quantity of sugar exported in 1904 was 705,837 cwts., valued at 409,640*l.*, against 471,140 cwts., valued at 238,438*l.*, in 1903, showing an increase in value of 171,202*l.* as compared with 1903. The average total value for the five years 1899-1903 was 307,269*l.*; sugar monopolised 58 per cent. of the total value of the export trade against 43 per cent. in 1903.

The following table shows the quantity and value of sugar exported to Japan and to China and Hong-Kong respectively during 1904:—

Kind of Sugar.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£	Cwts.	£
Brown sugar ...	642,858	356,166	8,747	4,477	651,605	350,643
White " ...	31,724	32,627	22,508	17,370	54,232	49,997
Total ...	674,582	387,793	31,255	21,847	705,837	409,640

As compared with the figures for 1903 there is a large increase in the exportation to Japan of 243,006 cwts. and 170,677*l.* Exports to China and Hong-Kong were practically stationary, there being only a slight increase in value in favour of 1904 of 535*l.*

Review of
sugar market.

The output for 1904 was above the average. Prices ruled considerably higher than in 1903 or, indeed, than in any other year, and the season was a profitable one for the British exporters concerned.

The market opened in January at 6.20 dol. (Mexican) per picul (133½ lbs.) for average grade and gradually advanced to 7 dol. in April, prices having been forced up by the decision to increase the sugar consumption tax from April 1. This new tax came into operation on April 1 and handicapped sugar with an additional impost of 1 yen (2*s.* 1*d.*) per picul, having been raised from 1 to 2 yen (4*s.* 2*d.*) per picul.

From July to September, after a somewhat stationary market in the preceding months, prices advanced rapidly, touching 8 dol. 40 c. per picul in August and 9 dol. 30 c. per picul in November. In December prices reached 9 dol. 50 c. per picul, a figure altogether unprecedented in the history of the Formosan sugar export trade. The present system of taxation on sugar exported to Japan is very favourable to Formosan sugars. Japan is the only profitable market for them, and virtually controls the whole output from Formosa.

Rice.

Both the winter and summer crops of rice were up to the average. The amount exported was 323,183 cwts., valued at 101,335*l.*, against 684,729 cwts., valued at 251,648*l.*, in 1903, and shows the large decrease of 150,313*l.* as compared with the figures for 1903. The export of rice has, however, notwithstanding this deficit, actually increased, the decrease noted being really a fictitious one. The reason for this is that the total quantity of rice exported does not actually appear in the customs returns for last year, as exports for military purposes are never included in the customs returns from which the statistics for this report are compiled. During the latter part of the year rice to the extent of nearly 358,000 cwts. was exported by the Mitsui Bussan Kaisha in specially chartered vessels from Anping and Takow to Manchuria for the use of the Japanese troops. This amount, valued at 223,214*l.*, should therefore be added to the figures already given above, resulting in a total export of over 680,000 cwts., valued at 324,549*l.*, thus showing a net increase in value over the figures for 1903 of 72,901*l.* instead of a decrease.

Salt.

Salt shows the large increase of 66,413*l.* as compared with 1903. This arises from the fact that the demand in Japan has much increased and that a number of new salt-fields have been opened.

Salt exported
from un-
opened ports.

In addition to the amount exported from the open ports of Anping and Takow, salt was also exported from the unopened ports of Hoteishi (Chinese pronunciation, Pa-te-chui) and Hokumonschio (Chinese, Pa-mun-su), chiefly by German vessels chartered by the Osaka Shosen Kaisha (Osaka Merchant Steamship Company). In order to account for the fact that foreign vessels were allowed to trade at unopened ports which, under ordinary circumstances,

is never permitted, it may be mentioned that their participation in the coasting trade was expressly sanctioned by the Japanese Government. Early in the year, at the commencement of the war, the Minister for Communications decided that, in addition to the ports open to foreign trade by treaty, all the ports of the Japanese Empire should also be opened, as a temporary measure, to foreign-owned vessels chartered by Japanese subjects, or by persons possessing legal Japanese qualifications. Applications were to be made through the local authorities of the place where the charterer was domiciled. The object of this permission was to relieve the inconvenience caused by the withdrawal of many steamers from their regular coasting trade in consequence of their requisition for Government service.

The following comparative table gives the value of the import and export trade for 1903-04 of four special open ports, opened by a notification of the Governor-General of Formosa in August, 1899. Only ships of Chinese construction, namely, junks, may enter and clear at these ports, and vessels other than Chinese may not import or export cargoes without special permission from the Governor-General unless chartered by Japanese subjects :—

	1904.			1903.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Tōkō	8,510	2,605	11,115	7,280	4,267	11,547
Tōseki	9,073	9,066	18,139	7,629	8,267	15,896
Makyu (Pescadores)	26,667	7,782	34,449	37,042	5,856	42,898
Hokkōkei	6,079	4,351	10,430	3,860	4,620	8,480
Total	50,329	23,804	74,133	53,811	22,810	78,621

The import and export trade of these four ports is almost entirely monopolised by Formosan Chinese merchants, and the total value of their trade has decreased by 4,488% as compared with 1903. The quantity and value of the principal articles of import and export are given in Tables IV and V, and the shipping entered and cleared in Table VI.

Statistics of all shipping entered and cleared at the open ports of Anping and Takow during the years 1903 and 1904 are given in Table VII annexed to this report. Shipping returns.

The total shipping entered was 406 vessels of 376,409 tons against 484 vessels of 456,325 tons in 1903. In the case of entries there is a decrease of 78 vessels of 79,916 tons, and in the case of clearances a decrease of 111 vessels of 139,216 tons. Total shipping, inclusive of junks.

The total number of foreign-going vessels entered, exclusive of junks, was 52 vessels of 52,875 tons against 37 vessels of 28,913 tons in 1903, showing an increase of 15 vessels of 23,962 tons in 1904. Foreign-going vessels, exclusive of junks.

The total number of coasting vessels entered was 198 vessels of 319,586 tons against 318 vessels of 424,178 tons in 1903, showing a decrease of 120 vessels of 104,592 tons. Coasting vessels.

Junks, foreign-going. The number of Chinese and Japanese junks entered was 156 vessels of 3,948 tons against 129 vessels of 3,234 tons in 1903, showing an increase of 27 vessels and 714 tons in 1904.

Increase in European shipping. The conspicuous feature of the shipping returns for 1904 is the unprecedented increase in the entries of European shipping engaged in the foreign-going and coasting trades, 142 vessels of 177,741 tons having entered against 8 vessels of 7,824 tons in 1903, showing an increase of 134 vessels and 169,917 tons.

Decrease in Japanese shipping. On the other hand, the entries of Japanese shipping engaged in both these branches of the shipping trade show a large decrease, 108 vessels of 194,720 tons having entered against 347 vessels of 445,267 tons in 1903, showing the large decrease of 239 vessels and 250,547 tons in 1904.

European vessels. Foreign-going trade. In 1904 European shipping contributed to the foreign-going trade a quota of 46 vessels of 47,937 tons against 8 vessels of 7,824 tons in 1903, showing an increase of 38 vessels of 40,113 tons.

European vessels. Coasting trade. The share contributed by European vessels to the coasting trade in 1904 was 96 vessels of 129,804 tons. No European vessels were engaged in the coasting trade in 1903, so that these figures represent a net gain.

Japanese vessels. Foreign-going and coasting. Both Japanese foreign-going and coasting vessels suffered a great decrease in 1904. In the case of the former there were only 6 entries of 4,938 tons against 29 entries of 21,089 tons in 1903, showing a decrease in 1904 of 23 vessels and 16,151 tons. In the case of the latter there were 102 entries of 189,782 tons against 318 entries of 424,178 tons in 1903, showing a large decrease of 216 vessels and 234,396 tons in 1904.

Comparison with European vessels. The Japanese foreign-going and coasting trades therefore suffered the large total decrease of 239 vessels and 250,547 tons in 1904, whilst European vessels engaged in the same branches of the trade showed the large increase of 134 vessels and 169,917 tons.

The following comparative table shows the nationality of the vessels engaged in the foreign-going and coasting trades during 1903 and 1904, and the respective increase or decrease in their numbers and tonnage compared with 1903 :—

FOREIGN-GOING and Coasting Vessels.

Nationality.	1904.		1903.		Increase or Decrease in 1904 compared with 1903.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage	Number of Vessels.	Tonnage.
British ..	44	58,953	7	7,053	+ 37	+ 51,900
German ..	83	107,717	..	..	+ 83	+ 107,717
Norwegian ..	14	10,047	1	771	+ 13	+ 9,276
Swedish ..	1	1,024	..	..	+ 1	+ 1,024
Total ..	142	177,741	8	7,824	+ 134	+ 169,917
Japanese ..	108	191,720	347	445,267	- 239	- 250,547
Grand total	250	372,461	355	453,091	- 105	- 80,630

The majority of the European vessels referred to in the above table were chartered by the Osaka Shosen Kaisha (Osaka Merchant Steamship Company) in order to replace steamers which had been requisitioned during the course of the year by Government for military or naval purposes. It will be noted that the German flag is predominant, the lower rate at which German vessels could be chartered having influenced the situation considerably. The great increase in the entries of European shipping is, of course, quite unprecedented in the annals of the two ports of Anping and Takow.

The northern and southern sections of the trunk railway which is to connect Kelung and the capital, Taihoku, in the north with Takow in the south was proceeded with satisfactorily. During the course of 1904 the northern section was completed as far as Hokkoko, having been extended south for a distance of 4 miles and 72 chains from Sansaho to Hokkoko. The southern section was completed as far as Dakusui, having been extended north for a distance of 12½ miles from Tarimu to Dakusui, thus making the total mileage of the main trunk completed in 1904 amount to 17 miles and 32 chains. The total length of the main trunk when completed will be 245 miles from Kelung to Takow. The length of the branch line diverging from the main line at Taihoku in the north and running to Tamsui on the coast is 13 miles and 56 chains. The total mileage of the Formosan Railway open to traffic in 1904 was therefore as follows :—

Trans-
Formosan
Government
Railway.

			Distance.	
			Miles chains.	
Northern section, Kelung to Hakkoko ..			100	40
Southern section, Takow to Dakusui ..			93	72
Branch line, Taihoku to Tamsui ..			13	56
Total			208	8

The gross receipts of the Formosan Railway taken on account of passengers, carriage of goods and miscellaneous items were, in 1904, for the northern section 69,327*l.* and for the southern section 42,840*l.*, making a total of 112,167*l.*

It is possible that a branch mountain railway may be constructed running from either Kagi or Dabyō to Mount Arizan within the savage border. This, however, has as yet not been finally decided upon, but the country lying between Kagi and Arizan and Dabyō and Arizan is being surveyed.

Subsidy to
British Ice
Company.

The subsidy of 312*l.* granted in 1901 to the South Formosa Ice Company by the Governor-General of Formosa was reduced to 208*l.* in 1904, otherwise the conditions regulating the subsidy were the same as those mentioned in the trade report for 1901. This company is the only British company in Formosa, and probably also in Japan, which enjoys a Government subsidy.

Openings for
British goods
Pumps.

Pumps of a large capacity for low lifts, say under 30 feet but chiefly about 10 feet, and requiring low power for run, especially those for kerosene engines, will, in the near future, find a market for irrigation purposes. They should, however, be simple in construction and easily handled. The extensive cultivation of rice and the great increase in the planting of the Lahanna sugar cane (*i.e.*, rose bamboo, a Hawaiian cane introduced by the Formosan Government some years ago), both of which require abundant supplies of water, will probably tend to increase the demand for irrigation pumps. The contemplated establishment of a Government rice inspection office will also later on cause a demand for machinery to rake out dirt and paddy from the rice paddy sifting machinery.

Need of
foreign
capital and
the future of
machinery.

The annual rice crop is very much larger than the sugar crop, and the want of capital is at present the great obstacle to the establishment of both rice and sugar mills of a large capacity. From this fact it may be inferred that foreign capital is greatly required. Interest ranges from 18 to 36 per cent. according to the nature of the security offered, the latter rate being charged for unsecured advances. The native Chinese are not yet used to co-operation, and the formation of several joint stock companies under Government auspices has not been so successful as anticipated, owing to the mutual suspicions and jealousies of the natives. It is therefore difficult to form joint stock companies, which appear to be the only hope for the future of machinery unless assisted by foreign capital. In course of time, however, it is to be

hoped that the natives will learn the advantages of joint stock companies as they have shown a special aptitude in adopting new ideas when proved successful.

Small, light, portable rails, from 9 to 14 lbs., will meet with a fair demand, chiefly for the transport of cane from the fields to the sugar mills, and later on for the purpose of acting as feeders to the main artery of the railway running through Formosa. Rails for transport of sugar.

Strong, light carts, with tyres adapted for use in very rough country, will also find a ready sale, provided that samples are actually shown on the spot working in a serviceable manner. The system of transport at present employed for conveying cane is by loading it on buffalo carts, which are too cumbersome and unreliable to be used with any advantage. The wheels are made of camphor wood, about 6 feet in diameter. When new the rims are about 1 inch thick, but they gradually wear down to almost a knife like edge after one or two years' service. In fine weather, owing to the sandy nature of the soil, they sink down from 6 to 12 inches, and after a heavy shower of rain from 2 to 3 feet. During the torrential rains of the rainy season the so-called roads are absolutely impassable, and all transport of cane is stopped until the roads harden again. As the axles are made of wood about 4 to 6 inches in diameter, and the platform of the cart merely rests upon the axles, the latter revolving with the wheels, it will easily be perceived what an amount of friction must be caused. The platform of the cart is prevented from shifting by a couple of pegs inserted on each side of the axles. Sooner or later, therefore, rails or modern carts must be employed to supersede these antiquated structures. A cart drawn by a team of two buffaloes has a carrying capacity of 1,500 lbs. when the road is in first rate condition. When in bad condition the maximum capacity is reduced to 500 lbs. The rate of locomotion is 1 mile per hour! Carts.

Motors of all kinds will have a good future, but only those which are simple and easy of transport. The means of transport being as described above, in cases where the railway is not available, packages should not exceed 1,000 lbs. in weight. Boilers should be portable and as water is bad and coal is not produced, they should be provided with a furnace for burning paddy husk, if for rice mills, and a bagasse furnace if intended for sugar mills. In any case the enforced consumption of very inferior coal, or of wood, should be provided against. Motive power.

Kerosene engines of simple and reliable construction will find a ready sale, but hitherto the imports of British makes do not seem to have enhanced the reputation of their manufacturers. At present an American make of very simple pattern is finding favour, and there is a Japanese imitation of the same machine which is competing very closely with it. Kerosene engines.

There is a fair quantity of wheat produced but, so far, no flour mills, even of the simplest construction, have been erected. As the duty on flour has increased, some of the owners of small sugar Flour mills.

mills will probably direct their attention to producing flour during the slack sugar season. At present and for the next few years only mills of the simplest construction will be required.

Mill stores.

In view of the increased number of sugar mills now being erected there will soon be a regular trade in mill stores.

British
machinery
catalogues.
Hints for
improvement
of.

The following remarks, which have been furnished by an Englishman of great practical experience in the working of rice and sugar mills, and who is fully acquainted with the respective merits and demerits of both British and American machinery catalogues, may prove worthy of note by those interested in the subject:—

“In many instances British machinery catalogues are evidently issued only for the use of practical engineers, or for persons having a high technical knowledge, and do not compare favourably with American catalogues, which cater for farmers, contain much fuller and simpler details, and are easier of comprehension by the lay mind.

“It seems desirable that British machinery manufacturers should endeavour to improve their catalogues in a way calculated to remedy this defect and to adapt them to meet two conditions:—

“Firstly, for new markets like Formosa (or, perhaps, even like China) where machinery is but rarely employed. That is to say, for districts where the essential points to be considered are moderate prices and simplicity of construction and design, and where too many technicalities are to be deprecated on account of a possible lack of technical knowledge on the part of buyers.

“Secondly, catalogues for advanced markets, which should contain full technical details of highly finished or expensive machinery for the use of practical engineers and persons acquainted with the technicalities of machinery.”

Postal
address.

It seems desirable to refer to the fact that many commercial inquiries arrive at this Consulate addressed “British Consul, Tainan, Formosa, China.” The correct address is, however, “British Consul, Anping, South Formosa, Japan.” The official designation of the Consul is “British Consul for the District of Tainan,” but, as a matter of fact, the Consulate itself is situated at Anping, 3 miles from Tainan. Care in using the above form of address will probably save delay in transmission in many cases.

British firms
in Consular
district.

There are only four firms of foreign merchants in Anping and Takow, all of which are British, viz., Messrs. Bain and Co., Tait and Co., South Formosa Trading Company and Messrs. Wright and Co. Mr. H. Hastings, the English manager of the South Formosa Trading Company, a British company composed mainly of Chinese shareholders, informs me that he will cheerfully afford any information to those anxious to learn facts regarding the prospects of British machinery for sugar and rice mills, which at present seem to be the chief avenue of expansion open to British goods. I take this opportunity of acknowledging my indebtedness to many Japanese officials and the British merchants of the district for much valuable information on the subject of local trade.

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ge. All calculations for the conversion of gold yen currency into sterling have been made at the rate of 1 yen equals 2s. 1d.

Table I.—RETURN showing Principal Articles of Import from Foreign Countries into the Open Ports of Anping and Takow during the Years 1904-1903, and Average of Imports for the Five Years 1899-1903.

Articles.	1904.		1903.		Average, Five Years 1899-1903.	Increase or Decrease in 1904 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.		1903.	Average, Five Years 1899-1903.	
FOREIGN GOODS.								
Cotton goods—								
Grey shirtings	216,372	1,858	362,958	3,002	3,854	—	1,144	—
White "	304,443	4,580	418,828	6,029	6,246	—	1,449	—
Miscellaneous	...	8,741	...	1,593	4,213	+	7,148	+
								Decrease due to cotton goods being manufactured in Japan and imported to Formosa. Japanese goods exempt from Customs duties. Trade entirely in hands of native Chinese merchants, who purchase the goods in Hong-Kong chiefly at auction
Woolen goods—								
Camlets and hosiery	68,118	2,474	110,301	3,764	4,287	—	1,289	—
Metals, miscellaneous	...	141	...	5,902	4,596	—	5,761	—
Rails and fittings	68,535	19,539	30,161	9,873	...	+	9,666	+
								Owing to imposition of increased consumption tax from April 1 prices rose and imports fell off
Railway materials	...	3,970	...	9,425	...	—	5,455	—
Kerosene	1,733,025	39,069	839,926	24,949	27,341	—	14,440	—
Ginseng	28	1,928	36	2,497	1,599	—	569	—
Flour	25,106	9,448	21,586	10,360	9,833	—	912	—
Condensed milk	7,288	1,806	7,425	1,788	1,652	+	18	+
								Chiefly American
Gunny bags	631,143	10,025	492,168	7,387	...	+	3,138	—
								Anglo-Swiss brand. Imported by Chinese merchants from Hong-Kong
Refined sugar	27,598	20,892	...	...	...	+	20,892	—
								Gunny bags used for packing a larger category of articles than formerly, causing increased import
								See body of report. An unusual import

RETURN showing Principal Articles of Import from Foreign Countries into the Open Ports of Anping and Takow during the Years 1904-1903, and Average of Imports for the Five Years 1899-1903—continued.

TAINAN.

Articles.	1904.		1903.		Average, Five Years 1899-1903.		Increase or Decrease in 1904 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	1903.	Average, Five Years 1899-1903.	
		£		£		£		£	
CHINESE GOODS.									
Bags, hemp ...	Number	72,367	576	1,640	213,222	1,708	—	1,064	Whole hemp sackings imported for making gunny bags has reduced import. Used for packing rice
Mats, for packing ...	Sq. yards	2,597,940	10,415	11,943	1,996,817	8,001	—	1,328	Decrease owing to export of salt in bulk instead of being packed in mats; also rushes are now utilised for making mats in Formosa
Joss-sticks ...	Cwts.	1,746	1,280	1,162	2,206	2,117	+	118	Handicapped by high tariff and competition of Japanese cigarettes, which enter duty free
Tobacco, prepared ...	"	25	51	32	15	9,766	+	19	See body of report
Timber and planks ...	"	9,823	11,932	9,823	8,311	9,868	+	2,169	Chiefly poles from Foochow. Increasing prosperity of Chinese natives enables them to erect new houses
Cotton piece-goods ...	Sq. yards	175,874	2,517	4,563	370,656	19,615	—	2,046	Decrease due to cotton piece-goods and linen and cotton mixtures being supplanted by Japanese cotton piece-goods, which enter duty free
Linen and cotton mixtures ...	"	175,823	2,634	6,514	437,039	5,648	—	3,880	Made from raw material exported from Formosa. The grass-cloth is then re-imported into Formosa
Grass-cloths ...	"	114,884	2,030	1,794	121,570	3,806	+	236	For stuffing quilts and wadded Chinese clothes
Cotton, raw ...	Cwts.	1,267	2,642	2,427	1,204	2,922	+	215	Present manufacture of joss-paper in South Formosa accounts for decrease
Paper (including joss-paper)	"	...	4,189	5,013	...	10,477	—	824	Increasing prosperity of native Chinese enables them to buy
Porcelain and earthenware ...	...	...	3,896	1,890	...	2,826	+	1,706	
Miscellaneous (foreign and Chinese goods)	...	...	84,047	85,235	...	91,544	—	1,183	
Total ...	...	264,670	...	224,631	...	...	+	40,039	

RETURN showing Principal Articles of Import from Japan into the Open Ports of Anping and Takow during the Years 1904-1900.

Articles.	Value.					Increase or Decrease in 1904 compared with—				Remarks.
	1904.	1903.	1902.	1901.	1900.	1903.	1902.	1901.	1900.	
	£	£	£	£	£	£	£	£	£	
JAPANESE GOODS.										
Beer ..	3,765	4,602	6,527	6,794	2,969	-	2,762	-	796	Chiefly for use of Japanese
Cement and lime ..	8,078	8,400	1,394	8,449	1,446	-	6,684	+	6,632	
Cotton piece-goods ..	34,380	43,863	33,050	28,965	5,805	-	1,330	+	28,575	See the remarks under foreign cotton and Chinese cotton piece-goods
Drugs and medicines..	4,576	3,237	2,531	2,854	2,197	+	2,045	+	2,379	Chiefly for use of Japanese
Fish, salt and dried ..	1,015	1,222	2,898	3,261	1,762	-	1,873	-	747	
Matches ..	8,047	7,002	8,672	7,672	4,884	+	625	+	3,163	
Metalware ..	1,910	3,410	1,831	5,284	3,739	-	79	-	1,829	
Paper ..	4,122	4,683	5,888	3,950	2,777	-	1,766	+	1,345	
Provisions, tinned, &c.	1,935	4,585	3,544	15,039	9,457	-	1,548	-	7,461	" tinned, but including also salted provisions
Railway materials ..	15,031	7,700	8,237	15,273	31,594	+	6,794	-	16,563	For use on Government railway
" machinery ..	953	21,652	..	..	..	-	953	+	953	
Rice ..	1,832	4,453	7,445	3,141	1,973	-	5,613	-	141	
Saké ..	17,796	20,812	20,432	23,634	13,070	-	2,636	-	5,838	Chiefly for use of Japanese
Soy ..	2,913	4,027	5,207	4,536	2,842	-	2,294	-	71	
Timber and planks ..	32,588	22,292	13,177	23,017	27,048	+	19,411	+	5,540	For building Japanese houses
Tobacco (cigarettes) ..	8,210	8,645	13,025	2,990	2,255	-	4,815	+	5,955	
Cuttlefish ..	2,000	3,182	..	..	..	-	2,000	+	2,000	Chiefly for use of native Chinese
Glass and glassware ..	1,133	1,372	..	..	..	-	1,133	+	1,133	
Beans, peas and other grains ..	1,185	2,621	..	..	..	-	1,185	+	1,185	" Japanese
Miscellaneous..	106,692	159,042	86,009	54,268	47,261	-	20,693	+	59,541	Including re-imports 391.
Total ..	253,222	336,802	219,857	203,627	161,079	-	39,365	+	97,143	

NOTE.—Statistics of imports from Japan prior to 1900 are not obtainable. For the purpose of comparison, therefore, the figures for the years 1900-03 have been given instead of the average of five years as in the case of imports from abroad.

Table II.—COMPARATIVE Table of Total Value of Imports into Anping and Takow during the Five Years 1904-1900.

Year.	Value of Import Trade.		Total Value of Imports.
	Foreign and Chinese Goods.	Japanese Goods.	
	£	£	£
1904	264,670	258,222	522,892
1903	224,631	336,802	561,433
1902	203,454	219,657	423,311
1901	237,949	203,627	441,576
1900	249,600	161,079	410,679
Increase or decrease in 1904 compared with—			
1903	+ 40,039	— 78,580	— 38,541
1902	+ 61,216	+ 38,365	+ 99,581
1901	+ 26,731	+ 64,695	+ 81,316
1900	+ 15,070	+ 97,143	+ 112,213

Table III.—RETURN showing Principal Articles of Export from the Open Ports of Anping and Takow during the Years 1904-1903, and Average of Exports for the Five Years 1899-1903.

Articles.	1904.		1903.		Average, Five Years 1899-1903.	Increase or Decrease in 1904 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Value.	1903.	Average, Five Years 1899-1903.	
	Cwts.	£	Cwts.	£	£	£	£	
Sugar, raw—								
Brown ..	651,605	359,643	445,074	223,241	262,140	+ 136,402	+ 97,503	
White ..	54,232	49,997	26,066	15,197	45,129	+ 34,800	+ 4,868	
Total ..	705,837	409,640	471,140	238,438	307,269	+ 171,202	+ 102,371	
Rice ..	323,183	101,335	684,789	251,648	74,938	- 150,313	+ 26,402	
Hemp ..	7,902	14,547	9,669	14,669	13,392	- 122	+ 1,155	See body of report
Lungan—								Raw material for making China grass-cloth exported to Swatow. The cloth is then re- imported into Formosa
Pulp ..	4,636	5,111	8,961	8,214	7,374	- 3,103	- 2,263	Decrease due to poor crops. Exported to Tien- tain, Ningpo and Shanghai. Used as a drug. A
Dried..	1,635	962	11,509	3,970	3,803	- 3,008	- 2,841	beverage resembling tea, which is valued as a stomachic, is also prepared from it
Turmeric ..	3,729	932	6,307	2,286	9,913	- 1,354	- 8,981	Decrease due to poor crops. Used for drugs. To Hong-Kong and Shanghai
Sesamum seed ..	8,456	2,916	5,579	2,420	3,518	+ 1,498	+ 398	Used for food. To Amoy and Hong-Kong
Oil cake..	26,635	2,832	19,344	1,743	3,658	+ 1,139	- 776	Made from rape seed or sesamum seed. To Amoy. Used as manure for tobacco plants
Pineapple fibre..	714	2,000	762	2,030	1,872	- 30	+ 128	To Swatow. Used for making a fine kind of grass-cloth
Bamboo shoots..	2,035	23	1,055	1,212	1,343	- 1,189	- 1,320	Decrease due to bad crops. To Amoy and Hong-Kong. Used for food
Beans, peas and pulse ..	8,532	2,425	6,852	1,983	2,069	+ 492	+ 356	To Amoy. Used for food
Salt ..	594,274	72,901	370,335	6,483	5,047	+ 66,413	+ 67,854	Increase in salt-fields. Whole amount goes to Japan
Miscellaneous ..	..	84,631	..	19,377	15,514	+ 65,254	+ 69,117	Including re-exports 617.
Total ..	..	701,305	..	554,428	449,705	+ 146,877	+ 251,600	

Table IV.—RETURN showing Principal Articles of Import into the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Years 1904–1903.

Articles.	Port.	1904.		1903.		Increase or Decrease in 1904 compared with 1903.
		Quantity.	Value.	Quantity.	Value.	
Kerosene ...	Tōkō ...	Gallons...	5,550	188	17,810	506 — 318
	Tōseki ...	"	5,525	196	8,470	317 — 121
	Makyu ...	"	11,330	424	20,855	702 — 278
	Hokkōkei ...	"	1,650	55	1,050	37 + 18
Nankeen cloth ...	Tōkō ...	"	...	172	...	100 + 72
	Tōseki ...	"	...	398	...	614 — 216
	Makyu ...	"	...	188	...	868 — 682
	Hokkōkei ...	"	...	442	...	613 — 171
Rice ...	Tōkō ...	Cwts. ...	1	26	...	...
	Tōseki ...	"	...	3	...	...
	Makyu ...	"	358	1,163	2,232	3,628 — 2,465
Sake ...	Makyu ...	"	...	2,683	...	2,164 + 219
Timber and planks...	Tōkō ...	"	...	1,236	...	1,284 — 48
	Tōseki ...	"	...	2,677	...	1,861 + 813
	Makyu ...	"	...	867	...	3,054 — 2,187
	Hokkōkei ...	"	...	1,396	...	866 + 530

Table V.—RETURN showing Principal Articles of Export from the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Years 1904–1903.

Articles.	Port.	1904.		1903.		Increase or Decrease in 1904 compared with 1903.
		Quantity.	Value.	Quantity.	Value.	
Oil cake... ..	Tōkō ...	Cwts. ...	...	1,688	144	— 144
	Tōseki ...	...	...	13,562	1,288	+ 590
	Makyu ...	...	...	5,933	695	+ 208
	Hokkōkei ...	...	...	9,735	882	+ 874
Rice	Tōkō ...	...	532	145	5,291	1,491 — 1,346
	Tōseki ...	...	844	250	3,280	1,000 — 760
	Makyu ...	...	...	3,216	1,009	— 1,009
	Hokkōkei ...	...	356	130	2,216	797 — 658
Sugar, brown ...	Tōseki ...	...	857	406	1,480	685 — 279
	Hokkōkei ...	...	2,343	1,031	2,186	957 + 71
	Tōkō ...	...	2,294	942	2,800	1,187 — 245
Sesamum seed...	Tōseki ...	...	3,576	1,613	446	206 + 1,407
	Makyu ...	...	1,343	594	529	377 + 217
	Hokkōkei ...	...	380	166	63	27 + 139

Table VI. —RETURN of all Shipping (exclusive of Junks, Coastwise)
at the Ports of Tōkō, Tōseki, Makyu and Hōkkōkei during
the Year 1904.

ENTERED.

Port.	Nationality.	Steam.		Junks.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Tōkō	Japanese ...	...	...	11	296	11	296
	Chinese ...	...	...	24	440	24	440
	Total ...	...	...	35	736	35	736
Tōseki	Japanese ...	...	...	23	534	23	534
	Chinese ...	...	...	41	910	41	910
	Total ...	...	...	64	1,444	64	1,444
Makyu (Pescadores)	Japanese (coast- wise) ...	8	10,426	42	1,028	50	11,454
	Chinese ...	...	...	30	842	30	842
	Total ...	8	10,426	72	1,870	80	12,296
Hōkkōkei	Japanese ...	...	...	1	17	1	17
	Chinese ...	...	...	31	881	31	881
	Total ...	...	...	32	898	32	898
Grand total		8	10,426	203	4,948	211	15,374

CLEARED.

Port.	Nationality.	Steam.		Junks.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Tōkō	Japanese ...	...	...	9	266	9	266
	Chinese ...	...	...	19	368	19	368
	Total ...	...	...	28	634	28	634
Tōseki	Japanese ...	...	...	22	566	22	566
	Chinese ...	...	...	42	1,438	42	1,438
	Total ...	...	...	64	2,004	64	2,004
Makyu (Pescadores)	Japanese (coast- wise) ...	3	4,281	52	1,227	55	5,508
	Chinese ...	...	...	15	363	15	363
	Total ...	3	4,281	67	1,590	70	5,871
Hōkkōkei	Japanese ...	...	...	2	36	2	36
	Chinese ...	...	...	30	858	30	858
	Total ...	...	...	32	894	32	894
Grand total		3	4,281	191	5,122	194	9,403

Table VII.—RETURN of all Shipping at the Open Ports of Anping and Takow during the Years 1904-1903.

ENTERED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Foreign going—							
British ...	1904	10	13,097	3	1,551	13	14,648
	1903	4	4,369	3	2,684	7	7,053
German ...	1904	21	24,705	...	...	21	24,705
Swedish ...	1904	1	1,024	...	...	1	1,024
Norwegian ...	1904	11	7,560	...	...	11	7,560
	1903	1	771	...	...	1	771
Japanese ...	1904	6	4,938	...	...	6	4,938
	1903	29	21,089	...	...	29	21,089
Total ...	1904	49	51,324	3	1,551	52	52,875
	1903	34	26,229	3	2,684	37	28,913
Coasting—							
British ...	1904	31	44,305	...	...	31	44,305
German ...	1904	62	83,012	...	...	62	83,012
Norwegian ...	1904	3	2,487	...	...	3	2,487
Japanese ...	1904	102	189,782	...	...	102	189,782
	1903	318	424,178	...	...	318	424,178
Total ...	1904	198	319,586	...	...	198	319,586
	1903	318	424,178	...	...	318	424,178
Junks, foreign-going—							
Japanese ...	1904	...	...	63	1,407	63	1,407
	1903	...	...	68	1,435	68	1,435
Chinese ...	1904	...	...	93	2,541	93	2,541
	1903	...	...	61	1,799	61	1,799
Total ...	1904	...	...	156	3,948	156	3,948
	1903	...	...	129	3,234	129	3,234
Foreign-going ...	1904	49	51,324	3	1,551	52	52,875
Coasting ...	1904	198	319,586	...	...	198	319,586
Junks, foreign-going ...	1904	...	...	156	3,948	156	3,948
Grand total ...	1904	247	370,910	159	5,499	406	376,409
	1903	352	450,407	132	5,918	484	456,325

CLEARED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Foreign-going—							
British ...	1904	7	8,108	3	1,551	10	9,659
	1903	4	4,359	3	2,684	7	7,043
German ...	1904	14	14,224	...	...	14	14,224
Norwegian ...	1904	9	6,237	...	...	9	6,237
	1903	1	771	...	...	1	771
Japanese ...	1904	3	2,001	...	...	3	2,001
	1903	26	17,343	...	...	26	17,343
Total ...	1904	33	30,570	3	1,551	36	32,121
	1903	31	22,483	3	2,684	34	25,167
Coasting—							
British ...	1904	31	49,785	...	...	31	49,785
German ...	1904	63	87,618	...	...	63	87,618
Norwegian ...	1904	3	2,487	...	...	3	2,487
Japanese ...	1904	105	143,679	...	...	105	143,679
	1903	320	429,467	...	...	320	429,467
Total ...	1904	202	283,569	...	...	202	283,569
	1903	320	429,467	...	...	320	429,467
Junks, foreign-going—							
Japanese ...	1904	...	...	55	1,278	55	1,278
	1903	...	...	75	1,608	75	1,608
Chinese ...	1904	...	...	88	2,289	88	2,289
	1903	...	...	63	2,221	63	2,221
Total ...	1904	...	...	143	3,567	143	3,567
	1903	...	...	138	3,829	138	3,829
Foreign-going ...	1904	33	30,570	3	1,551	36	32,121
Coasting ...	1904	202	283,569	...	...	202	283,569
Junks, foreign-going ...	1904	...	...	143	3,567	143	3,567
Grand total	1904	235	314,139	146	5,118	381	319,257
	1903	351	451,950	141	6,513	492	458,463

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DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1905

ON THE

TRADE OF THE CONSULAR DISTRICT OF TAINAN
(SOUTH FORMOSA).

REFERENCE TO PREVIOUS REPORT, Annual Series No. 3490.

Presented to both Houses of Parliament by Command of His Majesty,
AUGUST, 1906.

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1906.

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CONTENTS.

	PAGE
Total value of trade	3
Increase of	3
Import trade	3
Increase of	3
Export trade	3
Increase of	3
Total trade	3
Comparison with previous years	3
Japan and foreign countries	4
With foreign countries	4
Percentages of total trade	4
Imports (vide Tables I, II)	4
From foreign countries	4
United Kingdom and colonies	4
British imports, customs classification	4
Irish trade relations	4
Imports of Irish origin	5
„ from Japan	5
Shares of Japan and foreign countries	5
Analysis of imports	5
Exports (vide Table III)	6
Value of, to foreign countries and Japan	6
Shares of foreign countries and Japan	7
Raw sugar	8
Review of sugar market	8
Erection of sugar mills	9
Rice	10
Salt	10
Semi-open ports (vide Tables IV, V, VI)	10
Shipping returns (vide Table VII)	11
Foreign residents in district	12
Subsidy to British Ice Company	12
Trans-Formosan Government Railway	13
Rate of exchange	13
Statistical tables (Tables I to VII)	14

Reference to previous Report, Annual Series No. 3490.

*Report on the Trade of the Consular District of Tainan (South
Fermosa) for the Year 1905*

By MR. CONSUL WILEMAN.

(Received at Foreign Office, August 8, 1906.)

The total value of the import and export trade of the two open ports of Anping and Takow was 1,527,192*l.* against 1,224,197*l.* in 1904, showing an increase in 1905 of 302,995*l.* Total value of trade, increase of.

The total value of the import trade was 631,466*l.* against 522,892*l.* in 1904, showing an increase in 1905 of 108,574*l.* Increase of import trade. In 1904 there was a decrease of 38,541*l.* as compared with 1903.

The total value of the export trade was 895,726*l.* against 701,305*l.* in 1904, showing an increase in 1905 of 194,421*l.* Increase of export trade.

The following comparative table gives the total values of the import and export trades for the years 1904-05, and the average for the five years 1900-04:— Total trade. Comparison with previous years.

			Value.			Increase or Decrease in 1905 compared with—	
			1905.	1904.	Average, Five Years 1900-04.	1904.	Average, Five Years 1900-04.
			£	£	£	£	£
Imports	..	..	631,466	522,892	471,978	+ 108,574	+ 159,488
Exports	..	..	895,726	701,305	505,948	+ 194,421	+ 389,778
Total	..	..	1,527,192	1,224,197	977,926	+ 302,995	+ 549,266

The total trade for 1905 exceeded the figures for the average value of the five years 1900-04 by 549,266*l.*, and the satisfactory feature of the year's trade is that the decrease in the import trade chronicled in 1904 has been fully compensated for in the succeeding year.

Total trade.
Japan and
foreign
countries.

The following comparative table shows the total values of imports and exports for 1905 from and to Japan and from and to foreign countries respectively :—

Country.	Value.		
	Imports.	Exports.	Total.
	£	£	£
Japan	390,650	844,901	1,225,551
China	111,494	35,362	146,856
United States of America, including Philippine Islands	54,237	..	54,237
United Kingdom and Colonies, comprising Hong-Kong only	62,703	15,463	78,166
Germany	4,480	..	4,480
Other countries	17,902	..	17,902
Total	631,466	895,726	1,527,192

Total trade
with foreign
countries.

The total volume of the import and export trade with foreign countries amounted to 301,641*l.*, showing as compared with 1904 a decrease of 29,887*l.*

Percentages
of total trade.

Japan monopolised 80 per cent. of the total trade as against 73 per cent. in 1904, the remaining percentages being divided amongst foreign countries as follows :—China, 10 per cent., a loss of 3 per cent. ; United States of America, 4 per cent., a loss of 1 per cent. ; United Kingdom, 5 per cent., a loss of 1 per cent. ; Germany, $\frac{1}{2}$ per cent., a loss of $\frac{1}{2}$ per cent. ; other countries, 1 per cent.

Imports (vide
Table I).

The statistics of the import trade, which are shown in Table I annexed to this report, are divided into imports from foreign countries and from Japan.

Imports from
foreign
countries.

The total value of goods imported from foreign countries was 250,816*l.* against 264,670*l.* in 1904, showing a decrease of 13,854*l.* in 1905, compared with the average of the five years 1900-04 there was an increase of 14,755*l.*

The United
Kingdom and
colonies,
import trade
with.

It may be mentioned that no direct import trade is carried on with the United Kingdom or any of the British colonies, except Hong-Kong. All imports entering this Consular district from the United Kingdom or any other European country consist in the first instance of goods specially ordered from Europe which have been transhipped at Hong-Kong, or more generally of merchandise imported into Hong-Kong and ordered from there as occasion requires.

British
imports,
customs
classification
of.
Irish trade
relations.

Imports entering from the United Kingdom are never recorded in the Japanese customs returns as being of English, Scotch, Irish or Welsh origin, but are classified under the general term of British goods without any distinction being made. This, of course, renders it impossible to ascertain, as has been officially instructed, whether

there are any goods of Irish origin amongst the British imports entering this Consular district. There is no direct trade with Ireland and no goods of Irish origin are, as far as can be ascertained, imported into this Consular district. The demand for all kinds of foreign goods is declining annually owing to high tariffs and competition with Japanese goods which enter duty free.

Occasional direct imports are made of rails or kerosene oil from the United States.

The total value of goods imported from Japan was 380,650*l.* against 258,222*l.* in 1904, showing an increase of 122,428*l.* in 1905.

The percentages of the imports trade were distributed in the following manner:—Japan, 60 per cent. (against 49 per cent. in 1904); China, 21 per cent.; United Kingdom, 10 per cent.; United States of America, 9 per cent.; Germany, 1 per cent.; other countries, 3 per cent.; since 1904 China and the United States have lost 4 per cent. each, the United Kingdom 2 per cent. and Germany 1 per cent.

The following comparative table shows the total values of imports from Japan and foreign countries during the years 1901-05:—

Year.	Value.	
	Japan.	Foreign Countries.
	£	£
1901	203,627	237,940
1902	219,857	203,454
1903	336,802	224,631
1904	258,222	564,670
1905	380,650	250,816

Reference to the returns of imports of foreign and Chinese goods (vide Table I) shows increases in 12 principal articles of import whilst decreases are shown in 13 items.

The most conspicuous increases, over 1,000*l.* in value, are in the cases of miscellaneous cotton goods, mats for packing, miscellaneous foreign and Chinese goods; the most conspicuous decreases are rails and fittings, railway materials, kerosene, refined sugar, timber and planks.

Under the heading of rails and fittings and railway materials there is a large decrease of 22,078*l.*, of 18,108*l.* in rails and fittings and 3,970*l.* in materials.

The large decrease of 20,336*l.* in refined sugar is due to the fact that the large importations of 1904 were quite unusual and exceptional and were made for the special reasons stated in the trade report for 1904.

Kerosene was imported to the extent of 900,920 gallons, valued (1063)

at 22,214*l.*, against 1,733,525 gallons, value 39,089*l.*, in 1904, showing a decrease in value of 16,875*l.*

Leaf tobacco
and prepared
tobacco.

Leaf tobacco, which was imported to the extent of 9,872 cwts., value 15,846*l.*, shows an increase of 3,914*l.* as compared with 1904. No prepared tobacco was imported in 1904, importations having gradually dwindled down to the value of 51*l.* in 1904 and to zero in 1905. The reason assignable for this is due to the fact that the import of tobacco is, owing to the Tobacco Monopoly Law, now carried on by Government, which only imports leaf tobacco for the manufacture of prepared tobacco in Formosa.

Japanese
goods.

Under the heading of Japanese goods (vide Table I) 12 items show an increase, the chief of which are cotton piece-goods, fish, matches, railway materials, cigarettes and miscellaneous; on the other hand eight items show a decrease, most conspicuously in saké and timber and planks.

It is satisfactory to note that, whereas in 1904 there was, owing to the Russo-Japanese war, the large deficit in the total value of the import trade from Japan of 78,580*l.* as compared with 1903, yet in 1905, notwithstanding the continuance of the war for more than half the year, there was a gain of 122,428*l.* as compared with 1904. Whereas in 1904 imports from foreign countries increased and imports from Japan greatly diminished owing to the war in 1905 exactly the contrary took place, Japanese imports having greatly increased and foreign imports diminished.

Exports (vide
Table III).

The total value of the export trade shows the very large increase, as compared with 1904, of 194,421*l.*, and as compared with the average value for the five years 1900-04, of 389,778*l.* This increase is attributed to a great increase in the export of raw sugar and rice to Japan.

Values of
export trade
to foreign
countries and
Japan.
Imports from
foreign
countries.

The total value of the export trade to foreign countries in 1905 was 50,825*l.*, and to Japan 844,901*l.*

Imports from foreign countries show an excess over exports to foreign countries of 199,991*l.*, as follows:—

				Value.
				£
Imports from foreign countries ..	..			250,816
Exports to foreign countries ..	..			50,825
Excess of imports ..	..			199,991

Excess over
exports to.

The excess of imports from foreign countries was in 1904 197,812*l.*

Exports to Japan show an excess over imports from Japan of 464,251l., as follows :—

	Value.
	£
Exports to Japan	841,901
Imports from Japan	880,650
Excess of exports	464,251

The total export trade to foreign countries and Japan shows an excess over the total imports from foreign countries and Japan of 264,260l. against 178,413l. in 1904, thus more than counterbalancing the excess of imports from foreign countries.

The following table summarises the total values of the shares of Japan and foreign countries in the export trade during the years 1901-05 :—

Year.	Value.		
	Foreign Countries.	Japan.	Total.
	£	£	£
1905	50,825	841,901	895,726
1904	66,858	631,417	701,305
1903	70,510	483,888	554,423
1902	148,736	347,772	496,508
1901	160,231	255,953	416,184
Increase or decrease in 1905 compared with—			
1904	— 16,033	+ 210,454	+ 194,421
1903	— 19,715	+ 361,013	+ 341,298
1902	— 97,911	+ 497,129	+ 399,218
1901	— 109,406	+ 588,948	+ 479,542

From this table it will be observed that the exports to foreign countries for 1905 show a decrease as compared with those for the year 1901 of 109,406l., whilst exports from Japan for the same years show an increase in 1905 of 588,948l. as compared with 1901.

It seems highly probable that not many years hence Japan will entirely absorb the whole of the exports from this Consular district, the export trade to foreign countries having dwindled from 160,231l. in 1901 to 50,825l. in 1905.

The total value of the export trade in 1905 was divided between Japan, China and the United Kingdom and Colonies in the following proportions :—Japan, 94 per cent., an increase of $3\frac{1}{2}$ per cent.; China, 4 per cent., a loss of $4\frac{1}{2}$ per cent.; and the United Kingdom and Colonies, 2 per cent., a loss of $4\frac{1}{2}$ per cent.

and colonies, 2 per cent., a gain of 1 per cent. As is the case in the import trade, there is no direct trade with the United Kingdom or any of her colonies except Hong-Kong.

The most conspicuous of the exports in 1905 were raw sugar, rice, hemp and salt, which monopolised respectively 66, 3, 2 and 1 per cent. of the total value of the export trade, the remaining 28 per cent. being assignable to other exports, such as lungan, &c.

Raw sugar.

As regards raw sugar there was a gain of 46 per cent. as compared with 1904. The total amount exported in 1905 was 830,620 cwts. valued at 598,668*l.*, against 705,837 cwts. valued at 409,640*l.* in 1904, showing an increase in value of 189,028*l.* as compared with 1904. The average total value for the five years 1900-04 was 328,116*l.*, and shows an increase when compared with 1905 of 270,552*l.*

The following table shows the quantity and value of raw sugar exported to Japan, and to China and Hong-Kong respectively during 1905:—

Kind of Sugar.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£	Cwts.	£
Brown sugar ...	827,674	595,831	1,151	849	828,825	596,679
White sugar ...	119	156	1,676	1,833	1,795	1,989
Total ...	827,793	595,987	2,827	2,681	830,620	598,668

[As compared with the figures for 1904 there is a large increase in the exportation to Japan of 153,211 cwts. and 291,806*l.* Exports to China and Hong-Kong decreased from 31,255 cwts., value 21,847*l.*, in 1904, to 2,827 cwts., value 2,681*l.*, in 1905, this decrease having helped to swell the increase in exports to Japan.

The export of white raw sugar to Japan and to China and Hong-Kong reached a very low figure in 1905, having fallen from 54,232 cwts., value 49,997*l.*, in 1904, to 1,795 cwts., value 1,899*l.*, in 1905. This great decrease is mainly attributable to the fact that large quantities of white sugar which were exported in 1904 under the classification of white sugars were in 1905 exported under the classification of brown sugars. The tendency at present, however, is to manufacture brown sugars only, and the white grades which are now placed on the market are not so white as white grades of former years.

Review of the
sugar market.

In consequence of over-speculation during the season 1904-05 the sugar market in Yokohama dropped from 12 yen per picul* (1*l.* 5*s.*) in March, 1905, to 7 yen 50 sen per picul (15*s.* 7½*d.*) in October, 1905, and very heavy losses were incurred by all holders of sugar in South Formosa, so much so that a group of Formosan Chinese sugar merchants became financially embarrassed and practically ceased to export. As these merchants hitherto con-

* 1 picul = 133½ lbs.

trolled about 50 per cent. of the sugar export and made large advances to various native mills whose products they control, their embarrassment had a widespread effect and hurried the financial crisis in South Formosa which, it had been anticipated, would occur if more specie were not sent out of the country for the purchase of new machinery. Prices opened in Tainan in the month of December, 1905, at 7 yen (14s. 7d.) per picul, rose to 7 yen 50 sen (15s. 7½d.) per picul only for a very short time, and then steadily declined, closing in May at about 6 yen (12s. 6d.) per picul. The crop for 1905-06 was a large one, more cane having been planted on account of the high prices obtained in the previous season. It was feared at one time that the financial crisis caused by the embarrassment of the native merchants already referred to might be so serious as to prevent the whole crop being reaped, owing to difficulty in borrowing the necessary funds to renew the mills, but the banks rendered financial assistance, and the crisis, although not quite over, is now less severe.

For foreign merchants the season has not been a bad one. Indeed the tightness of the money market amongst native merchants has had the effect of throwing a much larger share of the trade than usual into the hands of Europeans. And the comparative steadiness of prices has allowed of a brisk commission business with no speculation.

The year 1905 was characterised by the large number of native-owned semi-foreign style mills erected. With one or two exceptions the mills all employ foreign cane crushing mills driven by steam or kerosene engines, but retaining the old style evaporating process. 47 mills were erected, ranging in size from a crushing capacity of 40 tons per 24 hours to 200 tons; all were bought in Glasgow. As regards motive power, however, 15 sets of steam and 3 sets of kerosene motive powers were obtained from the United States owing to lower prices. There are now 67 new style mills with a total crushing capacity of 5,330 tons of cane in 24 hours, representing 60 to 70 per cent. of the total crop. Of these, six mills, representing a daily crushing capacity of 1,350 tons, make centrifugal sugar, while the remainder still manufacture the old style "brown sugar," but considerably improved in quality. It is expected that as the native Chinese become more experienced that they will adopt more modern machinery and that eventually there will be a regular central factory system. Owing to the difficulties caused by inexperience in working new machinery, the 1905-06 crop has not been worked off as quickly as usual, and there is consequently a lesser area of cane planted for the coming season, 1906-07, than in 1905. This is partly due to the low prices received during the 1905-06 season. But although the area planted is less, it is expected that the new crop for 1906-07 will not be much smaller than that for the previous season on account of the large increase in Rose bamboo sugar-cane planted. This cane yields about three times the quantity, area for area, produced by the old style bamboo canes, which are

Erection of
sugar mills.

rapidly being abandoned, and it is anticipated that within the next few years there will be no more old style bamboo canes left, except in places which are not suitable for the Rose bamboo. It is calculated that the output per acre from the old style bamboo canes is from 10 to 15 tons per acre, and from the Rose bamboo about 3 tons per acre.

Rice. There was a great increase in the export of rice, 786,520 cwts., value 227,966*l.*, having been exported in 1905 against 323,183 cwts., value 101,335*l.*, in 1904. The spring and autumn crops were average in quantity and large exports were made to Japan to supply the demand consequent on the bad Japanese harvest. The export of rice to Japan is considerably stimulated by the fact that there is a very heavy duty of 64 sen (1*s.* 4*d.*) per picul on foreign rice imported into Japan, from which, of course, Formosan rice is exempted.

Salt. The export of salt decreased from 594,274 cwts., value 72,901*l.*, in 1904 to 448,219 cwts., value 10,491*l.*, in 1905, showing a decrease in value of 62,410*l.* The reason is largely attributable to a bad harvest, owing to the prevalence of much rain during the manufacturing season.

Semi-open ports. The following comparative table gives the value of the import and export trade for 1904-05 of four special open ports, opened by a notification of the Governor-General of Formosa in August, 1899. Only ships of Chinese construction, namely, junks, may enter and clear at these ports, and vessels other than Chinese may not import or export cargo without special permission from the Governor-General unless chartered by Japanese subjects:—

Port.	1905.			1904.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Tōkō	1,604	995	2,599	8,510	2,605	11,115
Tōseki	3,024	2,458	5,482	9,073	9,066	18,139
Makyu (Pescadores)	10,364	5,069	15,433	26,667	7,782	34,449
Hokkōkei	2,933	2,466	5,401	6,079	4,351	10,430
Total	17,927	10,988	28,915	50,329	23,804	74,133

The total value of the trade of these four ports has decreased by 45,218*l.*, as compared with 1904. In the cases of Tōseki, Tōkō and Hokkōkei the respective decreases are due to the fact that much cargo formerly imported into these ports from China in junks now enters the ports of Anping and Takow. These three ports are situated at some distance from the Formosan trunk railway, and were formerly good distributing centres for the junk trade previous to the extension of the railway which now runs from Tamsui in the north to Takow in the south without interruption. Now, however, the case is altered, and Anping and Takow being close to the railway are the best distributing centres for the junk trade. It is, however, certain that the junk trade of the west coast is slowly but surely being supplanted by steamboat trade.

The quantity and value of the principal articles of import and

export are given in Tables IV and V, and the shipping entered and cleared in Table VI.

Statistics of all shipping entered and cleared at the open ports of Anping and Takow during the years 1903-04 are given in Table VII annexed to this report.

The total shipping entered was 395 vessels of 290,135 tons against 406 vessels of 376,409 tons in 1904, showing a decrease of 11 vessels of 86,274 tons in 1905.

The total number of foreign-going vessels entered, exclusive of junks, was 33 vessels of 31,798 tons against 52 vessels of 52,875 tons in 1904, showing a decrease of 19 vessels of 21,077 tons in 1905.

The total number of coasting vessels entered was 205 vessels of 254,208 tons against 198 vessels of 319,586 tons in 1904, showing an increase of 7 vessels and a decrease in tonnage of 65,378 tons in 1905.

The number of Chinese and Japanese junks entered was 157 of 4,129 tons against 156 of 3,948 tons in 1905.

The following comparative table shows the nationality of the vessels engaged in the foreign-going and coasting trades during 1904-05, and the respective increase or decrease in the numbers and tonnage entered compared with 1904 :—

Nationality.	1905.		1904.		Increase or Decrease in 1905 compared with 1904.	
	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British ..	36	58,741	44	53,953	- 8	- 212
German ..	64	74,308	83	107,717	- 19	- 33,409
Norwegian ..	61	54,818	14	10,047	+ 47	+ 44,771
Swedish ..	19	18,791	1	1,024	+ 18	+ 17,767
Total ..	180	206,658	142	177,741	+ 38	+ 28,917
Japanese..	58	79,348	108	194,720	- 50	- 115,372
Grand total	238	286,006	250	372,461	- 12	- 86,455

It was remarked in the trade report for 1904 that the conspicuous feature of the shipping returns for that year was the unprecedented increase in the entries of European shipping engaged in the foreign-going and coasting trades. This increase was still further augmented during 1905 when 180 vessels of 206,658 tons entered against 142 vessels of 177,741 tons in 1904, showing an increase of 38 vessels of 28,917 tons for 1905.

Japanese shipping engaged in the foreign-going and coasting trades again suffered a large decrease in 1905, only 58 vessels of 79,348 tons having entered in 1905 as against 108 vessels of 194,720 tons in 1904, showing a decrease of 50 vessels and 115,372 tons.

European
vessels.
Foreign-
going trade.

The number of European vessels engaged in the foreign-going trade which entered during 1905 was 33 of 31,798 tons against 46 vessels of 47,937 tons in 1904, showing a decrease of 13 vessels of 16,139 tons in 1905.

European
vessels.
Coasting
trade.

This decrease, however, is fully compensated for by the increase in European vessels entering engaged in the coasting trade; the share contributed by them was 147 vessels of 174,860 tons against 96 vessels of 129,804 tons in 1904, showing an increase of 51 vessels of 45,056 tons.

Japanese
vessels.
Foreign-going
and coasting.

Both Japanese foreign-going and coasting vessels suffered a great decrease in 1905. Of foreign-going there were no entries against 6 entries of 4,938 tons in 1904. Of coasting vessels there were 102 entries of 189,782 tons in 1904, showing a decrease of 44 vessels of 110,434 tons in 1905.

Comparison
with
European
vessels.

The Japanese foreign-going and coasting trades therefore decreased in 1905 by the total amount of 50 vessels and 115,372 tons, whilst although European vessels engaged in the foreign trade showed in 1905 a decrease of 13 vessels and 16,139 tons, yet those engaged in the coasting trade showed an increase of 51 vessels of 45,056 tons.

The majority of the foreign steamers engaged in the foreign and coasting trades were chartered by the Osaka Shōsen Kaisha (Osaka Merchant Steamship Company) in order to replace steamers which had been requisitioned by Government for transport purposes during the Russo-Japanese war. A few were also chartered by the Mitsui Bussan Kaisha and Nippon Yusen Kaisha. A notable feature of the year's returns is that whereas in 1904 the German flag was predominant in the foreign-going and coasting trades with a total of 83 vessels, the British flag being a bad second, Norwegian third, and Swedish fourth, in 1905 Germany was first with only 64 vessels, 19 less than in 1904, Norway second with 61 vessels, the United Kingdom third with 36 vessels and Sweden fourth with 19 vessels. Norwegian vessels were employed to a great extent on account of the fact that they could be chartered at lower rates than German and British vessels and that owing to their small tonnage and draught they were more convenient for the trade. The competition of so many foreign vessels in the foreign-going and coasting trades is of course unique and entirely due to the Russo-Japanese war, but it is to be anticipated, now that the war is over, that trade will be carried on as heretofore mainly by Japanese bottoms, as they are gradually released from Government service.

Foreign
residents.

In 1905 there were 28 British subjects resident in this Consular district, 17 males and 11 females, including 3 children. No persons of any other European nationality are resident here, and there are only four British firms doing business, chiefly in sugar and rice.

Subsidy to
British Ice
Company.

A subsidy of 78% was, in 1905, granted to the South Formosa Ice Company (a British Company) by the local authorities. This company is the only British company in Formosa of Japan which enjoys a Government subsidy.

In April, 1905, passengers by the Trans-Formosan Government ^{Trans-} Railway were enabled to travel right through from Tamsui, or Kelung ^{Formosan} in the north to Takow in the south in 15 hours. One section only of ^{Government} the railway situated between Hakkōkō and Koroton is still incom- ^{Railway.} pleted. Passengers passing over this section are conveyed in small trucks holding two passengers running on a Décauville truck railway, and pushed by coolies.

All calculations for the conversion of gold yen currency into ^{Rate of} sterling have been made at the rate of 1 yen equals 2s. 1d. ^{exchange.}

Table I.—RETURN showing Principal Articles of Import from Foreign Countries and Japan into the Open Ports of Anping and Takow during the Years 1905–1904, and Average of Imports for the Five Years 1900–04.

IMPORTS from Foreign Countries.

Articles.	1905.		1904.		Average, Five Years 1900–04.		Increase or Decrease in 1905 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	1904.	Average, Five Years 1900–04.	
FOREIGN GOODS.									
Cotton goods—									
Grey shirtings	187,570	1,720	216,372	1,858	...	3,212	138	—	Trade in hands of native Chinese merchants
White	278,095	4,634	304,448	4,680	...	5,776	54	—	
Miscellaneous	...	10,663	...	8,741	...	5,715	1,922	+	
Woolen goods—									
Camlets and lastings	52,652	2,138	68,113	2,474	...	3,515	336	—	
Metals, miscellaneous	...	1,000	...	141	...	3,744	859	—	
Rails and fittings	3,339	1,431	68,538	19,639	...	10,825	13,108	—	Purchases by Government temporarily suspended on account of war
Railway materials	...	...	...	3,370	...	2,680	3,970	—	Decrease in importations on account of war. Trade in British hands
Kerosene	900,920	22,214	1,733,525	39,089	...	29,201	15,873	—	
Ginseng	31	2,786	28	1,928	...	1,642	853	+	
Flour	15,817	8,537	25,106	9,448	...	9,695	911	—	Chiefly American
Condensed milk	11,021	2,636	7,283	1,806	...	1,875	840	+	Anglo-Swiss brand. Imported by Chinese merchants from Hong-Kong
Gunny bags	425,048	9,868	631,143	10,525	...	3,582	637	+	See body of report. An unusual import
Refined sugar	45	56	27,593	20,392	...	4,078	20,336	—	

IMPORTS from Japan.

Articles.	Value.		Increase or Decrease in 1905 compared with—		Remarks.
	1905.	1904.	Average, Five Years 1900-04.	1904.	
	£	£	£	£	
Beer	5,404	3,765	4,931	+ 1,639	Chiefly for use of Japanese
Cement and lime ..	7,877	8,078	4,553	+ 201	
Cotton piece-goods ..	80,848	31,380	29,213	+ 46,468	Gradually ousting foreign cotton and Chinese cotton piece-goods
Drugs and medicines ..	2,757	4,576	2,979	- 1,819	
Fish, salt and dried ..	3,466	1,015	2,031	+ 2,391	
Matches	10,941	8,047	7,255	+ 2,804	
Metalware	1,226	1,910	3,235	- 684	
Paper	5,182	4,122	4,284	+ 1,060	
Provisions, tinned, &c. ..	2,957	1,946	6,924	+ 961	Chiefly tinned, but including also salted provisions
Railway materials..	31,291	15,031	15,567	+ 16,263	
" machinery	226	953	4,521	- 727	
Rice	2,814	1,832	3,769	- 982	
Saké	13,736	17,796	19,149	- 4,060	
Soy	3,513	2,913	3,903	+ 600	
Timber and planks ..	21,536	32,538	23,624	- 11,052	Decrease owing to large importations from Japan to Manchuria
Tobacco (cigarettes) ..	21,144	8,210	7,025	+ 15,934	Increased consumption amongst native Chinese
Cuttlefish	2,561	2,000	1,636	+ 561	
Glass and glassware ..	1,468	1,133	501	+ 335	
Beans, peas and other grains ..	1,064	1,185	761	- 121	
Miscellaneous	157,696	103,602	90,654	+ 51,004	
Total	390,650	258,222	235,917	+ 122,428	
				+ 144,733	

Table II.—COMPARATIVE Table of Total Value of Imports into Anping and Takow during the Five Years 1905-1901.

Year.	Value of Import Trade.		Total Value of Imports.
	Foreign and Chinese Goods.	Japanese Goods.	
	£	£	£
1905	250,816	380,650	631,466
1904	264,670	258,222	522,892
1903	224,631	336,803	561,433
1902	203,454	219,557	423,311
1901	237,949	203,627	441,576
Increase or decrease in 1905 compared with—			
1904	— 13,854	+ 122,428	+ 108,574
1903	+ 26,185	+ 43,848	+ 70,033
1902	+ 47,362	+ 160,793	+ 208,155
1901	+ 12,867	+ 177,023	+ 189,890

Table III.—RETURN showing Principal Articles of Export from the Open Ports of Anping and Takow during the Years 1905-1904, and Average of Exports for the Five Years 1900-04.

Articles.	1905.		1904.		Average, Five Years 1900-1904.		Increase or Decrease in 1905 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Value.	1904.	Average, Five Years 1900-04.		
Sugar, raw—									
Brown ..	828,825	£96,679	651,605	£359,643	284,393	+ 237,036	+ 312,286	See body of report	
White ..	1,795	1,989	54,232	49,997	43,723	- 48,008	- 41,734		
Total ..	830,620	598,668	705,837	409,640	328,116	+ 189,028	+ 270,552		
Rice ..	786,620	227,966	323,183	101,335	85,950	+ 126,631	+ 142,016	Increase due to bad crop in Japan. Large exportations	
Hemp ..	7,128	13,844	7,902	14,547	14,313	+ 703	- 409	Raw material for making China grass-cloth, exported to Swatow. The cloth is then re-imported into Formosa	
Lungan—									
Pulp ..	3,197	4,625	4,636	5,111	6,482	- 486	- 1,857	Exported to Tientsin, Ningpo and Shanghai.	
Dried ..	9,900	5,803	1,635	962	2,784	+ 4,841	+ 3,019	Used as a drug	
Turmeric ..	5,511	1,435	3,729	932	7,529	+ 593	- 6,094	Used for drugs. To Hong-Kong and Shanghai	
Sesamum seed ..	1,285	601	8,456	2,916	3,681	- 3,315	- 3,080		
Oil cake ..	21,734	2,470	26,635	2,852	2,282	- 412	+ 188	To Amoy. Used as manure	
Pineapple fibre ..	561	1,610	714	2,000	1,992	- 390	- 382	" Swatow. Used for making a fine kind of grass-cloth	
Bamboo shoots ..	3,030	3,629	2,055	23	995	+ 3,606	+ 2,634	To Amoy and Hong-Kong. Used for food	
Beans, peas and pulse ..	8,400	2,467	8,532	2,425	1,704	+ 42	+ 763	" Amoy	
Salt ..	448,219	10,491	594,274	72,901	19,627	- 62,410	- 9,136	Decrease, owing to bad crops	
Miscellaneous ..	..	22,117	..	84,631	30,493	- 62,514	- 8,376	Including re-exports, 5037.
Total ..	..	895,726	..	701,305	505,948	+ 194,421	+ 389,773	

Table IV.—RETURN showing Principal Articles of Import into the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Year 1905.

Articles.	Port.		1905.	
			Quantity.	Value.
Kerosene	Tōkō	Gallons ...	23,270	£ 691
	Tōseki	" ...	9,480	299
	Makyu	" ...	22,195	635
	Hokkōkei	" ...	690	18
Nankeen cloth	Tōkō ... ..	" ...	...	37
	Tōseki ... ..	" ...	...	30
	Makyu ... ..	" ...	...	198
	Hokkōkei ... ..	" ...	...	103
Rice	Tōseki	" ...	227	85
	Makyu	" ...	9,451	3,331
Sake	Makyu ... ..	" ...	...	4,128
Timber and planks	Tōkō ... ..	" ...	...	876
	Tōseki ... ..	" ...	...	2,610
	Makyu ... ..	" ...	...	2,072
	Hokkōkei ... ..	" ...	...	2,814

Table V.—RETURN showing Principal Articles of Export from the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Year 1905.

Articles.	Port.	1905.	
		Quantity.	Value.
Oil cake	Tōkō	Cwts. 1,085	£ 123
	Tōseki	14,421	1,348
	Makyu	14,243	3,210
	Hokkōkei	25,439	2,418
Rice	Tōkō	3,722	823
	Tōseki	818	248
	Makyu	6,110	1,741
	Hokkōkei	79	24
Sesamum seed	Tōkō	120	49
	Tōseki	1,800	862
	Makyu	244	118
	Hokkōkei	51	24

Table VI.—RETURN of all Shipping (exclusive of Junks, Coastwise)
at the Ports of Tōkō, Tōseki, Makyu and Hōkkōkei during
the Year 1905.

ENTERED.

Port.	Nationality.	Steam.		Junks.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Tōkō	Japanese ...	...	...	4	110	4	110
	Chinese ...	...	...	31	497	31	497
	Total ...	...	...	35	607	35	607
Tōseki	Japanese ...	...	...	24	609	24	609
	Chinese ...	...	...	24	608	24	608
	Total ...	...	...	48	1,217	48	1,217
Makyu (Pescadores).	Japanese (coast- wise) ...	11	15,729	33	724	44	16,453
	Chinese ...	...	...	18	489	18	489
	Total ...	11	15,729	51	1,163	62	16,892
Hōkkōkei	Japanese ...	...	...	3	57	3	57
	Chinese ...	...	...	31	850	31	850
	Total ...	...	...	34	907	34	907
Grand total		11	15,729	168	3,894	179	19,623

CLEARED.

Port.	Nationality.	Steam.		Junks.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Tōkō	Japanese ...	...	...	5	115	5	115
	Chinese ...	...	...	24	456	24	456
	Total ...	...	...	29	571	29	571
Tōseki	Japanese ...	...	...	18	442	18	442
	Chinese ...	...	...	21	553	21	553
	Total ...	...	...	39	995	39	995
Makyu (Pescadores)	Japanese (coast- wise) ...	9	12,646	53	1,200	62	13,846
	Chinese ...	...	...	16	487	16	487
	Total ...	9	12,646	69	1,687	78	14,333
Hōkkōkei	Japanese ...	...	...	2	51	2	51
	Chinese ...	...	...	32	889	32	889
	Total ...	...	...	34	940	34	940
Grand total		9	12,646	171	4,193	180	16,839

Table VII.—RETURN of all Shipping at the Open Ports of Anping and Takow during the Years 1905-1904.

ENTERED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Foreign going—							
British ...	1905	2	5,465	...	...	2	5,465
	1904	10	13,097	3	1,551	13	14,648
German ...	1905	12	12,524	...	...	12	12,524
	1904	21	24,705	...	...	21	24,705
Swedish ..	1904	1	1,024	...	...	1	1,024
Norwegian ...	1905	19	13,809	...	...	19	13,809
	1904	11	7,560	...	...	11	7,560
Japanese ...	1904	6	4,938	...	...	6	4,938
Total ...	1905	33	31,798	...	...	33	31,798
	1904	49	51,324	3	1,551	52	52,875
Coasting—							
British ...	1905	34	53,276	...	...	34	53,276
	1904	31	44,305	...	...	31	44,305
German ...	1905	52	61,784	...	...	52	61,784
	1904	62	83,012	...	...	62	83,012
Swedish ...	1905	19	18,791	...	...	19	18,791
Norwegian ...	1905	42	41,009	...	...	42	41,009
	1904	3	2,487	...	...	3	2,487
Japanese ...	1905	58	79,348	...	...	58	79,348
	1904	102	189,782	...	...	102	189,782
Total ...	1905	205	254,208	...	...	205	254,208
	1904	198	319,586	...	...	198	319,586
Junks, foreign-going—							
Japanese ...	1905	...	...	39	886	39	886
	1904	...	...	63	1,407	63	1,407
Chinese ...	1905	...	...	118	3,243	118	3,243
	1904	...	...	93	2,541	93	2,541
Total ...	1905	...	...	157	4,129	157	4,129
	1904	...	...	156	3,948	156	3,948
Recapitulation—							
Foreign going ..	1905	33	31,798	...	...	33	31,798
Coasting... ..	1905	205	254,208	...	...	205	254,208
Junks, foreign-going ...	1905	...	...	157	4,129	157	4,129
Grand total ...	1905	238	286,006	157	4,129	395	290,135
	1904	247	370,910	159	5,499	406	376,409

CLEARED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Foreign going—							
British ...	1905	2	5,465	...	...	2	5,465
	1904	7	8,108	3	1,551	10	9,659
German ...	1905	12	12,115	...	...	12	12,115
	1904	14	14,224	...	...	14	14,224
Norwegian ...	1905	18	13,272	...	...	18	13,272
	1904	9	6,237	...	...	9	6,237
Japanese ...	1904	3	2,001	...	...	3	2,001
Total ...	1905	32	30,852	...	...	32	30,852
	1904	33	30,570	3	1,551	36	32,121
Coasting—							
British ...	1905	3	53,276	...	...	34	53,276
	1904	31	49,785	...	...	31	49,785
German ...	1905	52	61,784	...	...	52	61,784
	1904	63	87,618	...	...	63	87,618
Swedish ...	1905	19	18,791	...	...	19	18,791
Norwegian ...	1905	42	41,009	...	...	42	41,009
	1904	3	2,487	...	...	3	2,487
Japanese ...	1905	58	79,348	...	...	58	79,348
	1904	105	143,679	...	...	105	143,679
Total ...	1905	205	254,208	...	...	205	254,208
	1904	202	283,569	...	...	202	283,569
Junks, foreign-going—							
Japanese ...	1905	...	...	41	962	41	962
	1904	...	...	55	1,278	55	1,278
Chinese ...	1905	...	...	111	3,039	111	3,039
	1904	...	...	88	2,289	88	2,289
Total ...	1905	...	...	152	4,001	152	4,001
	1904	...	...	143	3,567	143	3,567
Recapitulation—							
Foreign-going ...	1905	32	30,852	...	...	32	30,852
Coasting ...	1905	205	254,208	...	...	205	254,208
Junks, foreign-going ...	1905	...	...	152	4,001	152	4,001
Grand total	1905	237	285,060	152	4,001	389	289,061
	1904	235	314,139	146	5,118	381	319,257

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DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1906

ON THE

TRADE OF THE CONSULAR DISTRICT OF TAINAN
(SOUTH FORMOSA).

EDITED AT THE FOREIGN OFFICE AND BOARD OF TRADE.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 3706.

*Presented to both Houses of Parliament by Command of His Majesty,
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CONTENTS.

	Page
Total value of trade	3
Total trade—	
Comparison with previous years	3
Japan and foreign countries.....	4
Percentages	4
Imports (vide Tables I and II)	4
From foreign countries	4
British	4
From Japan.....	5
Percentages	5
Analysis	5
Rails and fittings	5
Kerosene	5
Japanese goods	5
Exports (vide Table III)	5
Foreign countries and Japan	5
Percentages	6
Raw sugar	7
Review of sugar market	7
New sugar factories	9
Future prospects.....	9
Impressions of an expert	10
Semi-open ports	11
Shipping (vide Table VII)	11
Railways	12
Foreign residents	13
Rate of exchange	13
Statistics—	
Imports.....	14
Exports.....	18
Trade of semi-open ports	19
Shipping	20
Amount of raw sugar manufactured	23
List of railway stations on Trans-Formosan Railway	23

Reference to previous Report, Annual Series No. 3706.

Report on the Trade of the Consular District of Tainan (South Formosa) for the Year 1906 by Mr. A. E. Wileman, His Majesty's Consul at Tainan.

The total value of the import and export trade of the two open ports of Anping and Takow was 2,084,521*l.* against 1,527,192*l.* in 1905, showing an increase in 1906 of 557,329*l.*, to which imports contributed 110,642*l.* and exports 446,687*l.* in 1905, showing an increase in 1906 of 110,642*l.*

The following table gives the total values of the import and export trades for the years 1905-06 and the average for the five years 1901-05 :—

	Value.			Increase in 1906 compared with—	
	1906.	1905.	Average, Five Years 1901-05.	1905.	Average, Five Years 1901-05.
	£	£	£	£	£
Imports	742,108	631,466	616,186	110,642	225,972
Exports	1,342,413	895,726	612,848	446,687	729,565
Total	2,084,521	1,527,192	1,128,984	557,329	955,537

The total trade for 1906 exceeded the average of the five years 1901-05 by 955,537*l.* Imports have increased in 1906 at about the same ratio as in 1905, the advantage being on the side of 1906. Exports, on the other hand, have increased in 1906 at more than double the ratio of 1905.

Total trade.
Japan and
foreign
countries.

The following table shows the total value of the trade with Japan and foreign countries during the year 1906 :—

Country.	Value.		
	Imports.	Exports.	Total.
	£	£	£
Japan	482,741	1,259,400	1,742,141
China	144,269	58,407	202,676
United States, including Philippine Islands	43,552	....	43,552
United Kingdom and colonies, comprising Hong-Kong only	62,382	21,210	83,592
Germany	3,209	....	3,209
Other countries	5,955	3,396	9,351
Total	742,108	1,342,413	2,084,521

The total value of the trade with foreign countries amounted to 342,380*l.*, showing as compared with 1905 an increase of 40,739*l.* In 1905 there was a decrease of 29,887*l.* as compared with 1904.

Percentages
of total trade.

Japan took 83½ per cent. of the total trade against 80 per cent. in 1905 and 73 per cent. in 1904, the remaining percentages being divided amongst foreign countries as follows :—China, 9½ per cent., a loss of ½ per cent. in 1906 ; United States of America, 2 per cent., a loss of 2 per cent. ; United Kingdom, 4 per cent., a loss of 2 per cent. ; Germany, ½ per cent. against ½ per cent. in 1905 ; other countries, ¼ per cent. against 1 per cent. in 1905.

Imports (vide
Table I).

The statistics of the import trade, which are shown in Table I annexed to this report, are divided into imports from foreign countries and from Japan.

Imports from
foreign
countries.

The total value of goods imported from foreign countries was 259,367*l.* against 250,816*l.* in 1905, showing an increase of 8,551*l.* ; compared with the average of the five years 1901–05 there was an increase of 23,063*l.*

British
imports.

Imports entering from the United Kingdom viâ Hong-Kong are never recorded in the Japanese customs returns as being of English, Scotch, Irish or Welsh origin, but are classified under the general term of British goods without any distinction being made. This, of course, renders it impossible to ascertain whether there are any goods of Irish origin amongst the British imports entering this Consular district. There is no direct trade with the United Kingdom and no goods of Irish origin are, as far as can be ascertained, imported into Anping or Takow. All British goods entering are transhipped from Hong-Kong by the steamers of the Osaka Shōsen Kaisha which run between Formosa and Hong-Kong every 10 days. British ships do not make Anping or Takow ports of call except for some special purpose as the occasional import of kerosene oil or rails.

The total value of goods imported from Japan was 482,741*l.* Imports from Japan. against 380,650*l.* in 1905, showing an increase of 102,091*l.*

The percentages of the import trade were distributed in the follow- Percentages of import ing manner :—Japan, 65 per cent. against 60 per cent. in 1905 and trade. 49 per cent. in 1904 ; China, 19½ per cent., a loss of 1½ per cent. in 1906 ; United Kingdom, 8 per cent., a loss of 2 per cent. ; United States of America, 6 per cent., a loss of 3 per cent. ; Germany, ½ per cent., a loss of ½ per cent. ; other countries, 1 per cent., a loss of 2 per cent.

The following comparative table shows the total values of imports from Japan and foreign countries during the years 1901-06 :—

Year.	Value.	
	Japan.	Foreign Countries.
	£	£
1901	203,627	237,949
1902	219,857	203,454
1903	336,802	224,631
1904	258,222	264,670
1905	380,650	250,816
1906	482,741	259,367

As regards the imports of foreign and Chinese goods (Table I), Analysis of the most conspicuous increases are in the cases of rails and fittings, imports. gunny bags, mats for packing and tobacco leaf ; the most conspicuous decreases are in flour and raw cotton.

Under the heading of rails and fittings there is a large increase of 10,728*l.* Rails and fittings.

The import of kerosene was valued at 22,200*l.* against 22,214*l.* Kerosene. in 1905.

Gunny bags show the large increase of 11,010*l.*, mats for packing of 6,105*l.*, and leaf tobacco of 26,485*l.*

Under the heading of "Japanese goods" (Table I) 17 out of Japanese the 21 articles tabulated show increases, the most conspicuous goods. being timber, cigarettes, saké, metalware and matches.

The total value of the export trade shows the very large increase of 446,687*l.* as compared with 1905 and of 729,565*l.* as compared Exports (vide Table III). with the average value of the five years 1901-05. This increase is chiefly attributable to the large exports of raw sugar and rice to Japan.

The total value of the export trade to foreign countries in 1906 Foreign was 83,013*l.* and to Japan 1,259,400*l.* against 50,825*l.* in the case of countries and the former and 844,901*l.* in the case of the latter in 1905. Imports Japan. from foreign countries show an excess over exports to foreign countries of 176,354*l.* as follows :—

	Value.
	£
Imports from foreign countries	259,367
Exports to foreign countries	83,013
Excess of imports	176,354

The excess of imports from foreign countries was in 1905 199,991*l.* and in 1904 197,812*l.*

Exports to Japan show an excess over imports from Japan of 776,659*l.* as follows :—

	Value.
	£
Exports to Japan	1,259,400
Imports from Japan	482,741
Excess of exports	776,659

The total export trade to foreign countries and Japan shows an excess over the total imports from foreign countries and Japan of 600,305*l.* against 264,260*l.* in 1905 and 178,413*l.* in 1904.

The following table summarises the total values of the shares of Japan and foreign countries in the export trade during the years 1901-06 :—

Shares of
foreign
countries and
Japan in
export trade.

Year.	Value.		
	Foreign Countries.	Japan.	Total.
	£	£	£
1906	83,013	1,259,400	1,342,413
1905	50,825	841,901	895,726
1904	66,858	634,447	701,305
1903	70,510	483,888	554,428
1902	148,736	347,772	496,508
1901	160,231	255,953	416,184
Increase or decrease in 1906 compared with—			
1905	+ 32,188	+ 414,499	+ 446,687
1904	+ 16,155	+ 624,953	+ 641,108
1903	+ 12,473	+ 775,512	+ 787,935
1902	— 65,723	+ 911,628	+ 845,905
1901	— 77,218	+ 1,003,447	+ 926,229

Percentages
of export
trade.

The total value of the export trade in 1906 was divided in the following manner :—Japan, 94 per cent., the same as in 1905 ; China,

4½ per cent., a gain of ½ per cent. in 1906 ; United Kingdom, 1½ per cent., a loss of ½ per cent.

The most important exports in 1906 were raw sugar, rice, hemp, lungnan pulp and salt. These six items contributed respectively 63½, 29½, 1½, 1 and 1 per cent. to the total value of the export trade.

The total amount of raw sugar exported in 1906 was 1,283,793 ^{Raw sugar.} cwts., valued at 848,718*l.*, against 830,620 cwts., valued at 598,668*l.* in 1905, showing an increase in value of 250,050*l.* as compared with 1905. The average total value for the five years 1901-05 was 395,128*l.*

The following table shows the quantity and value of raw sugar exported to Japan, and China and Hong-Kong respectively during 1906 :—

Kind of Sugar.	Japan.		China and Hong-Kong.		Total.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Cwts.	£	Cwts.	£	Cwts.	£
Brown sugar	1,263,940	835,330	8,569	4,022	1,272,509	839,352
White sugar	402	391	10,882	8,975	11,284	9,366
Total	1,264,342	835,721	19,451	12,997	1,283,793	848,718

As compared with the figures for 1905 there is a large increase of 436,549 cwts. and 239,734*l.* in the export to Japan in 1906. Exports to China and Hong-Kong increased also by 16,624 cwts. and 10,316*l.*

In the trade report for 1905 the sugar market was reviewed ^{Review of the sugar market.} up to the month of May, 1906, for the season 1905-06. In June, 1906, prices fell to their lowest point, reaching 5 yen 90 sen to 6 yen (12*s.* 3½*d.* to 12*s.* 6*d.*) per picul (133½ lbs.). After the month of June, however, the market gradually recovered, and prices for old sugar advanced to 6 yen 40 sen to 6 yen 60 sen per picul (13*s.* 4*d.* to 13*s.* 9*d.*) almost up to the commencement of the new crop.

The peculiarity of the year 1906 was the fact that old sugars could still be bought right up to September (ordinarily the crop ends in May for large lots and in June for finals), and that sugar mills continued crushing right up to August, 1906 ; although, after May, cane begins to lose saccharine, and crushing can only be done at a loss. This was due to two causes. Firstly, the troubles connected with the erection and running for the first time of new machinery by inexperienced mill owners, who had an inexperienced staff of engineers ; and secondly, the sudden throwing on the former's hands of a large quantity of cane which was rejected for crushing by one of the most important mills on account of the

fact that it was unprofitable to crush at that particular time of the year—the month of May. Consequently, as it does not pay to hold cane over, the farmers were forced to hurriedly erect old-style mills to use up their cane. It seems that some compensation was paid to the farmers for not taking up their cane, but complaints were also made that the compensation given was insufficient. Fifty other new semi-modern mills, however, not having the power of a large modern factory, could not manage things in such an autocratic fashion, and were obliged to continue crushing until all their crops were reaped.

As some of the foreign firms in Anping anticipated an advance in prices when all the old sugar should have been exhausted, and made allowances for the enforcement of the new customs tariff in October, 1906, they bought sugars ahead in September for December delivery, and were able to realise fair margins. By the new tariff the import duty on Class 1 (Dutch Standard No. 8) was raised from 1 yen 52 sen (3s. 2d.) to 1 yen 65 sen (3s. 5d.), and the consumption tax was raised from 1 yen (2s. 1d.) to 2 yen (4s. 2d.); on Class 2 the import duty was raised from 1 yen 52 sen (3s. 2d.) to 2 yen 25 sen (4s. 8d.), and the consumption tax increased from 1 yen 60 sen (3s. 4d.) to 4 yen 40 sen (9s. 2d.).

The market for the season 1906-07 opened in November, 1906, at 7 yen 40 sen (15s. 5d.) per picul, and rose steadily to 8 yen 50 sen (17s. 8d.) by December (the highest point reached), gradually fell again to 8 yen (16s. 8d.) in January and 6 yen 80 sen in February, but rose again to 8 yen. It now stands, in March, 1907, at 7 yen 20 sen (15s.) to 7 yen 60 sen (15s. 10d.).

The season, so far as business is concerned, has been a difficult one. Hitherto most of the exporters have sold on c.i.f. terms to three or four principal Japanese importers in Yokohama, who practically control the sugar market there; and to a few other importers in Kobe, Moji and Shimonoseki. This has been a safe business, as, the sales having been made by telegram, a commission business has been worked steadily and safely; but the Japanese merchants have been studying the Formosan conditions for some years past, although without taking any very active part in operations hitherto. In the period under review, however, they commenced to take an active part in the business, buying direct at the various mills from the native Chinese and exporting themselves. Orders have consequently decreased, and commission firms have been obliged to face the alternative of either being contented with a safe business by making very small margins, or of embarking on the speculative business of buying or selling in advance. The Japanese importers at Yokohama practically control the market, and the present export and import duties, and consumption tax also, practically close the China market, which hitherto has been a wholesome check upon undue depression of the Formosan market by Japanese operators. Moreover, persons sent to study the business have discovered that the farmers and small mill owners

are not rich enough to hold their stocks for long. Owing to these facts, therefore, prices have not been allowed to advance, and unless some strong association is formed to check this, the native Formosan sugar mill owners will henceforth be at the mercy of the Japanese operators, provided that the latter can work together—this, however, should not be a difficult matter, considering that they are so few in numbers. The advent of the important central factories, although it may not be of very much advantage to the farmers until they can learn to take advantage of the altered conditions, will, however, in time check the dominance of the Yokohama sugar importers.

With large sums of money released in Japan after the war, there was a slump in the money market at Tokyo, and interest was at one time considerably lower at Tokyo than in London. The usual "post bellum" boom has taken place, and people seemed to have speculated wildly in Tokyo over all shares. Sugar milling in Formosa, under the present favourable laws, consequently attracted its full share of attention. New sugar factories.

The shares of the Taiwan Seitō Kaisha (Taiwan Raw Sugar Factory), the pioneer modern mill, established about six years ago, rose from a face value of 50 yen (5*l.* 4*s.* 2*d.*) to 200 yen (20*l.* 16*s.* 8*d.*) and stand to-day at 170 yen (17*l.* 14*s.* 2*d.*). Advantage was also taken to increase the capital of the company from 1,000,000 yen (104,166*l.*) to 5,000,000 yen (520,833*l.*). This company has one factory at Kyōshitō of 600 tons (American tons, short tons of 2,000 lbs.) capacity in 24 hours. The machinery was supplied by a Glasgow firm. It is intended to erect a new 2,000-ton (American tons of 2,000 lbs.) mill at Akō. Another mill for this company of 800 tons capacity (American short tons) is also to be erected at Kohekiryō, near Takow, and the machinery is also to be supplied by the Honolulu Ironworks. The 2,000-ton mill has been purchased second-hand at Honolulu and will be erected, after having been renovated with improved machinery, by the Honolulu Ironworks. The Dai Nippon Seitō Kaisha (Japan Raw Sugar Factory), which is one of the refineries in Osaka, has also taken advantage of the boom to augment its capital for the purpose of establishing a new 1,200-ton (American tons of 2,000 lbs.) factory in Formosa for the manufacture of raw sugars for its refineries. The district allotted for this company is at Tarimu in Toroku Chō. The plant is being supplied by a German firm.

It is impossible to foretell the future with any certainty, as business conditions in Formosa under the present active Government change so rapidly, but there is no doubt that the outlook for the few foreign sugar firms now remaining is a gloomy one unless they take up a sugar mill, which involves the investment of a large capital, or unless some new trade springs up. Practically speaking, most of the available land at present planted with cane is allotted to the various mills, and the majority of small mills, semi-foreign included, will be absorbed by Future prospects of sugar.

the big factories which produce a different kind of sugar. As these big factories have such large capital it is most probable that they will either sell their sugars direct to Japan, or consign to Japanese firms in Japan. The foreign firms will, therefore, probably have no reasons for continuing business, not even as commission forwarding agents. The majority of the new mills will be erected by the end of 1908, in time to take off the 1908-09 crop, and are all sure to be established by the end of 1909.

Impressions
of an expert.

The following are the impressions of the representative (Mr. W. M. Sandison) of a British firm of sugar machinery engineers who is now visiting the island, which may possibly be of some interest:—
“My impressions regarding the largest raw sugar factories now working in Formosa, which are much smaller in size than the average sugar factories in Cuba, Java and Hawaii, are as follows:—Too much money has been expended on elaborate buildings (brick and woodwork), too little on machinery or on means for bringing the cane rapidly to the factory and feeding the mills rapidly. The cane contains a large percentage of fibre, 14 per cent. on the average, which ensures steam raising on an economical basis if good megass furnaces are introduced. The mills as a rule seem to have given dissatisfaction by not quite coming up to their rated capacities, which is attributable to the hard quality of the cane. It would seem that with such a large percentage of fibre a better extraction of the sucrose would be attained by the adoption of the ‘maceration’ process so much in vogue in modern sugar factories; one, if not more, of the larger schemes now under consideration will carry out this practice on the ‘sprinkling’ but not on the ‘bath’ method, although the tendency would seem to be towards the adoption of so-called 11-roller mills, viz., really 3-roller mills on one bed plate plus a 2-roller preliminary breaker or crusher without macerator. None of the mills, so far, have been fitted with this preliminary crushing arrangement, though certain of the existing mills are 5-roller, in which two of the rolls to a certain extent effect preliminary breaking up of the cane but not to the same extent as the specially fluted rolls now so much employed in Cuba and elsewhere. The foregoing Formosan mills carry out double or triple crushing, more or less efficiently; preliminary crushing and maceration would probably bring them on an equally efficient basis with the better class mills in other parts of the world. Some modern green megass furnaces are in operation with forced draught, and the steam boilers employed are of various types—tubular, double, elephant—but the water tube type will make its advent next season; vertical double and triple effect evaporators are in use, also vacuum pans, usually of the ordinary coil class, but also of the calandria or straight tube type. One or more of the coming new factories will be equipped with pressure clarification apparatus and that of the Tōyō company will have automatic time weighing appliances and fixed filtration of the juice through cloud sand filters after subsidation. The centrifugal sugar curing machines in most instances are of the belt driven type, but the water driven type are also used, whilst electrically driven machines have not

hitherto been adopted here. Drying of the sugar after centrifugalising is usually carried out."

The situations of the sugar factories named therein will be found given in the map accompanying this report. The output of the various sugar districts for the year 1906 is given in Table VIII, and the railway stations on the Trans-Formosan Railway line and branch line are given in Table IX. The map alluded to has been kindly prepared by Mr. W. M. Sandison.

The following comparative table gives the value of the trade for the years 1905 and 1906 of four special open ports opened by a notification of the Governor-General of Formosa in August, 1899. Only ships of Chinese construction, namely junks, may enter and clear at these ports, and vessels other than Chinese may not import or export cargo without special permission from the Governor-General, unless chartered by Japanese subjects:—

Port.	1906.			1905.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Tōkō	6,006	1,755	7,761	1,604	995	2,599
Tōseki	10,461	8,787	19,248	3,024	2,458	5,482
Makyu (Pescadores)	22,346	5,601	27,947	10,364	5,069	15,433
Hokkōkei	4,233	2,709	6,942	2,935	2,466	5,401
Total	43,046	18,852	61,898	17,927	10,988	28,915

The total trade of these four ports has increased by 32,983% as compared with 1905.

The quantity and value of the principal articles of import and export are given in Tables IV and V and the shipping entered and cleared in Table VI.

Statistics of all shipping entered and cleared at the open ports of Anping and Takow during the years 1905 and 1906 are given in Table VII annexed to this report.

The total shipping entered was 470 vessels of 422,391 tons in 1906 against 395 vessels of 290,135 tons in 1905, an increase of 75 vessels of 132,256 tons.

The total number of foreign-going vessels entered, exclusive of junks, was 54 vessels of 54,933 tons in 1906 against 33 vessels of 31,798 tons in 1905, an increase of 21 vessels of 23,135 tons.

The total number of coasting vessels entered was 227 vessels of 362,879 tons in 1906 against 205 vessels of 254,208 tons in 1905, an increase of 22 vessels of 108,671 tons.

The total number of Chinese and Japanese junks entered was 189 of 4,579 tons in 1906 against 157 of 4,129 tons in 1905, an increase of 32 junks of 450 tons.

The following comparative table shows the nationality of the vessels entered engaged in the foreign-going and coasting trades, exclusive of junks, during the years 1905 and 1906 and the

respective increase or decrease in the numbers and tonnage entered, compared with 1905 :—

Foreign-going and Coasting Vessels.	1906.		1905.		Increase or Decrease in 1906 compared with 1905.	
Nationality.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
British	14	18,354	36	58,741	— 22	— 40,387
German	12	13,205	64	74,308	— 52	— 61,103
Norwegian	22	23,534	61	54,818	— 39	— 31,284
Swedish	2	1,978	19	18,791	— 17	— 16,813
Chinese	1	826	....	....	+ 1	+ 826
Total ...	51	57,897	180	206,658	— 129	— 148,761
Japanese....	230	359,915	58	79,348	+ 172	+ 280,567
Grand total	281	417,812	238	286,006	+ 43	+ 131,806

Foreign
shipping.

The entries of foreign shipping show for the year 1906 a considerable decrease as compared with 1905, 51 vessels of 57,897 tons having entered in 1906 as against 180 vessels of 206,658 tons in 1905, showing a decrease of 129 vessels of 148,761 tons.

Japanese
shipping.

On the other hand, Japanese shipping engaged in the foreign-going and coasting trades shows a large increase in 1906 of 172 vessels of 280,567 tons. The decrease in foreign and increase in Japanese shipping is, of course, due to the cessation of the Russo-Japanese war having allowed Japanese shipping to resume the naturally predominant position it occupied previous to the outbreak of hostilities.

Foreign
vessels.
Foreign-going
trade only.

The number of foreign vessels engaged in the foreign-going trade only, which entered during 1906 was 28 vessels of 30,073 tons as against 33 vessels of 31,798 tons in 1905, showing a decrease of 5 vessels of 1,725 tons.

Foreign
vessels.
Coasting
trade only.

A similar but much larger decrease noticeable in foreign vessels entering engaged in the coasting trade only, 23 vessels of 27,824 tons having entered in 1906 as against 147 vessels of 174,860 tons in 1905, a decrease of 124 vessels of 147,036 tons.

Japanese
vessels.
Foreign-going
and coasting
trades.

Of Japanese foreign-going vessels there were 26 entries of 24,860 tons in 1906 as against no entries in 1905. Of Japanese coasting vessels there were 204 entries of 335,055 tons in 1906 as against 58 vessels of 79,348 tons in 1905, an increase of 146 vessels of 255,707 tons.

Railways.

The Trans-Formosan Government Railway from Keelung to Takow has progressed during the past year (1906). At present the northern part of the line has been permanently completed as far as Sansaho. The latter station is connected with Hakkōkō by a light temporary mountain railway of 4 miles 72 chains. At Hakkōkō passengers alight from the train and are conveyed in small hand trucks

holding two persons which are pushed by two coolies along the Décauville truck railway extending for a distance of 9 miles 32 chains between Hakkōkō and Koroton. From Koroton the railway is permanently completed (with the exception of some temporary bridges which will be replaced by permanent structures) as far as Takow, thus enabling travellers to journey from Keelung on the north coast to Takow on the south-west coast, a distance of 251 miles 40 chains, in 16 hours. The permanent railway from Sansaho to Koroton, a distance of 13 miles 71 chains, therefore remains to be completed. Of this section $7\frac{1}{2}$ miles of roadway were completed and 6 miles of rails were laid during 1906. It is anticipated that the whole section between Sansaho and Koroton will be completed by March, 1908.

The mileage of the Trans-Formosan Railway is as follows :—

	Length.	
	Miles chains	
Keelung to Sansaho	95	48
Sansaho to Koroton, permanent line uncompleted, but passengers conveyed by temporary line of 4 miles 72 chains to Hakkōkō and thence to Koroton by truck railroad of 9 miles 32 chains.....	13	71
Koroton to Takow	130	56
Total	248	15
Branch line from Tamsui to Taihoku	13	56
Grand total	259	71

In 1906 a private railway from Kagi to Arizan was commenced. It is to be a light railway of 41 miles 20 chains in length, minimum radius 150 feet, steepest incline 1 in 20, and of 2 feet 6 inches gauge. It is being constructed for the purpose of conveying timber from Arizan, by the firm of Fujita Gumi of Osaka at a cost of 3,000,000 yen (312,500*l.*). This firm has obtained a concession from the Formosan Government for the exploitation of the magnificent cryptomeria forests of Arizan, which is an outlying range of Nütaka Yama or Mount Morrison. One of the stipulations of the concession is that all trees cut down shall be replaced by the planting of young trees to prevent disafforestation. It is anticipated that this railway will be completed in three years; at present about 9 miles between Kagi and Chiku-to-Ki (Tek-tau-Kia, Chinese) are nearly completed. The forests of Arizan are described as being rich and an inexhaustible store of wealth. The lumber is intended chiefly for exportation to China. A saw mill is to be established at Kagi, the cost of the plant and buildings necessary being estimated at 2,000,000 yen (208,333*l.*).

In 1906 there were 26 British subjects resident in this Consular district, 14 males and 12 females, including 4 female children. One person of German nationality is resident here, and there are only 3 British firms doing business, chiefly in sugar and rice.

All calculations for the conversion of gold yen currency into sterling have been made at the rate of 1 yen equals 2*s.* 1*d.*

Foreign residents.

Rate of exchange.

Table I.—RETURN showing Principal Articles of Import from Foreign Countries and Japan into the Open Ports of Anping and Takow during the Years 1905-06, and Average for the Five Years 1901-05.

IMPORTS from Foreign Countries.

Articles.	1906.		1905.		Average, Five Years 1901-05.		Increase or Decrease in 1906 compared with—		Remarks.	
	Quantity.	Value.	Quantity.	Value.	Value.	1905.	Average, Five Years 1901-05.			
FOREIGN GOODS.										
Cotton goods—									Trade in hands of native Chinese merchants	
Grey shirtings	114,245	1,105	187,870	1,720	2,989	—	614	— 1,563		
White "	362,642	6,045	278,095	4,634	5,415	+	1,412	+		631
Miscellaneous	...	12,350	...	10,663	7,306	+	1,687	+		4,954
Woolen goods, camels and										
lastings	33,027	1,449	52,452	2,138	3,145	—	679	—	1,686	
Metals miscellaneous	...	1,457	...	1,000	3,596	+	557	—	2,039	
Rails and fittings	31,400	12,159	3,339	1,431	11,110	+	10,728	+	1,049	
Railway materials	...	38	...	...	2,679	+	39	—	2,641
Kerosene	840,300	22,200	900,920	23,214	27,036	—	14	—	4,836	
Glass	56	3,975	31	2,786	1,953	+	1,189	—	2,023	
Flour	11,068	5,101	15,917	8,537	9,735	+	3,436	—	4,625	
Condensed milk	9,336	2,168	11,021	2,636	1,862	—	468	+	306	
Gunny bags	886,773	20,878	423,046	9,803	5,505	+	11,010	+	15,322	
Refined sugar	29	36	45	56	4,080	—	20	—	4,054	
CHINESE GOODS.										
Bags, hemp	40,590	328	81,565	638	1,145	—	312	—	820	
Mats, for packing	2,007,672	19,292	1,950,537	13,177	11,227	+	6,105	—	8,056	
Joss-sticks	1,343	1,069	1,777	1,360	1,596	—	302	—	598	
Used for packing rice " salt and sugar										

TAINAN.

[illegible]

IMPORTS from Japan.

Articles.	Value.		Increase or Decrease in 1906 compared with—		Remarks.
	1906.	1905.	Average, Five Years 1901-05.	1905.	
	£	£	£	£	
Beer	8,423	5,404	5,418	+ 3,019	
Cement and lime	6,634	7,877	5,839	- 1,243	
Cotton piece-goods	67,704	80,818	44,222	- 13,114	Gradually ousting foreign cotton and Chinese cotton piece-goods
Drugs and medicines	3,773	2,757	3,092	+ 1,016	
Fish, salt and dried	4,783	3,405	2,358	+ 1,377	
Matches	17,818	10,941	8,467	+ 6,877	
Metalware	10,893	1,226	2,732	+ 9,637	
Paper	8,101	5,182	4,765	+ 2,919	
Provisions, tinned, &c.	4,639	2,957	5,624	+ 1,682	
Railway materials	167	31,294	15,507	- 31,127	
" machinery	771	226	4,566	+ 545	
Rice	7,765	2,814	3,937	+ 4,951	
Sake	22,991	13,736	19,283	+ 9,255	
Soy	3,653	3,513	4,039	+ 140	
Timber and planks	37,307	21,538	22,523	+ 15,771	
Tobacco (cigarettes)	36,264	24,144	11,403	+ 12,120	
Cuttlefish	3,251	2,561	1,548	+ 690	
Glass and glassware	2,515	1,468	794	+ 1,047	
Beans, peas and other grains	809	1,064	974	- 256	
Coal	12,277	7,266	5,486	+ 5,011	
Miscellaneous	222,214	150,430	107,305	+ 71,784	Chiefly tinned, but including also salted provisions
Total	482,741	390,650	279,832	+ 102,091	
				+ 202,909	

Table II.—COMPARATIVE Table of Total Value of Imports into Anping and Takow during the Five Years 1902-06.

Year.	Value of Import Trade.		Total Value of Imports.
	Foreign and Chinese Goods.	Japanese Goods.	
	£	£	£
1906	259,367	482,741	742,108
1905	250,816	380,650	631,466
1904	264,670	258,222	522,892
1903	224,681	336,802	561,483
1902	203,454	219,557	423,811
Increase or decrease in 1906 compared with—			
1905	+ 8,551	+ 102,091	+ 110,642
1904	— 5,303	+ 224,519	+ 219,216
1903	+ 34,736	+ 145,939	+ 180,675
1902	+ 55,913	+ 262,884	+ 318,797

Table III.—RETURN showing Principal Articles of Export from the Open Ports of Anping and Takow during the Years 1905-06, and Average for the Five Years 1901-05.

Articles.	1906.		1905.		Average, Five Years 1901-1905.	Increase or Decrease in 1906 compared with—		Remarks.
	Quantity.	Value.	Quantity.	Value.	Value.	1905.	Average, Five Years 1901-05.	
Sugar, raw—								
Brown	1,272,509	839,352	828,825	596,679	365,333	+ 242,873	+ 474,019	See pages 7-8
White	11,284	9,366	1,795	1,989	29,795	+ 7,377	- 20,429	
Total	1,283,793	848,718	830,620	598,668	395,128	+ 250,050	+ 453,590	Large exportations to Japan. Increase due to bad crop in Japan
Rice	1,304,393	397,327	786,520	227,966	124,349	+ 169,361	+ 272,978	
Hemp	7,699	15,973	7,128	13,844	14,013	+ 2,129	+ 1,930	Raw material for making China grass-cloth re-imported into Formosa
Lungnan—								
Pulp	11,792	15,412	3,197	4,625	6,832	+ 10,787	+ 8,580	Exported to Tientsin, Ningpo and Shanghai. Used as a drug
Dried	13,134	5,611	9,900	5,868	3,873	- 192	+ 1,738	
Turneric	11,043	4,002	5,511	1,435	4,795	+ 2,567	+ 793	Used for urugs. To Hong-Kong and Shanghai
Seesum seed	10,154	4,885	1,285	601	3,801	+ 4,284	+ 1,084	
Oil cake	16,572	1,628	21,734	2,470	2,251	- 844	- 625	To Amoy. Used as manure " Swatow. Used for making a fine kind of grass-cloth
Pineapple fibre	554	1,542	561	1,610	2,000	- 68	- 453	
Bamboo shoots	4,246	5,162	3,080	3,629	1,720	+ 1,533	+ 3,442	To Amoy and Hong-Kong. Used for food
Beans, peas and pulse	4,069	1,246	8,400	2,467	1,788	- 1,221	- 542	
Salt	558,885	13,095	448,219	10,491	21,726	+ 2,604	- 8,631	Including re-exports
Miscellaneous	...	27,814	...	22,117	30,572	+ 5,697	- 2,758	
Total	...	1,342,413	...	895,726	612,848	+ 446,687	+ 729,565	

Table IV.—RETURN showing Principal Articles of Import into the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Year 1906.

Articles.	Port.		Quantity.	Value.
				£
Kerosene	Tōkō	Gallons	7,320	189
	Tōseki	"	2,950	78
	Makyu	"	20,416	529
	Hokkōkei	"	340	9
Nankeen cloth....	Tōkō			10
	Tōseki			4
	Makyu			25
	Hokkōkei			37
Rice	Makyu	Cwts.	368	2,053
Saké	Makyu			1,769
Timber and planks	Tōkō			657
	Tōseki			4,125
	Makyu			1,839
	Hokkōkei			2,238

Table V.—RETURN showing Principal Articles of Export from the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Year 1906.

Articles.	Port.	Quantity.	Value.
		Cwts.	£
Oil cake....	Tōseki	14,715	1,380
	Makyu	7,482	1,945
	Hokkōkei	9,875	889
Rice	Tōkō	1,373	424
	Tōseki	36	10
	Hokkōkei	133	46
Sesamum seed	Tōkō	332	163
	Tōseki	3,195	1,662
	Makyu	22	11
	Hokkōkei	247	161

Table VI.—RETURN of all Shipping (exclusive of Junks Coastwise) during the Year 1906.

ENTERED (Junks).

Port.	Nationality.	Number of Vessels.	Tonnage.
Tōkō	Japanese	3	84
	Chinese	32	441
	Total	35	525
Tōseki	Japanese	27	691
	Chinese	58	1,338
	Total	85	2,029
Makyu	Japanese	39	853
	Chinese	24	525
	Total	63	1,378
Hokkōkei	Japanese	1	49
	Chinese	33	750
	Total	34	799
Grand total		217	4,731

CLEARED (Junks).

Port.	Nationality.	Number of Vessels.	Tonnage.
Tōkō	Japanese	4	130
	Chinese	29	424
	Total	33	554
Tōseki	Japanese	28	766
	Chinese	56	1,276
	Total	84	2,042
Makyu	Japanese	43	970
	Chinese	23	532
	Total	66	1,502
Hokkōkei	Japanese	2	76
	Chinese	29	653
	Total	31	729
Grand total		214	4,827

Table VII.—RETURN of all Shipping at the Open Ports of Anping and Takow during the Years 1905-06.

ENTERED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Foreign-going—							
British ...	1906	5	7,692	4	3,156	9	10,848
	1905	2	5,465	...	...	2	5,465
German ...	1906	10	11,075	...	...	10	11,075
	1905	12	12,524	...	...	12	12,524
Swedish ...	1906	2	1,978	...	...	2	1,978
Norwegian ...	1906	6	5,346	...	...	6	5,346
	1905	19	13,309	...	...	19	13,809
Japanese ...	1906	26	24,860	...	...	26	24,860
Chinese ...	1906	1	826	...	...	1	826
Total ...	1906	50	51,777	4	3,156	54	54,933
	1905	33	31,798	...	...	33	31,798
Coasting—							
British ...	1906	5	7,506	...	...	5	7,506
	1905	34	53,276	...	...	34	53,276
German ...	1906	2	2,130	...	...	2	2,130
	1905	32	61,784	...	...	32	61,784
Swedish ...	1905	19	18,791	...	...	19	18,791
Norwegian ...	1906	16	18,188	...	...	16	18,188
	1905	42	41,000	...	...	42	41,000
Japanese ...	1906	204	335,055	...	...	204	335,055
	1905	58	79,348	...	...	58	79,348
Total ...	1906	227	362,879	...	...	227	362,879
	1905	205	251,208	...	...	205	251,208
Junks, foreign-going—							
Japanese ...	1906	...	...	42	1,038	42	1,038
	1905	...	...	39	886	39	886
Chinese ...	1906	...	...	147	3,541	147	3,541
	1905	...	...	118	3,243	118	3,243
Total ...	1906	...	...	189	4,579	189	4,579
	1905	...	...	157	4,129	157	4,129
Recapitulation—							
Foreign-going ...	1906	50	51,777	4	3,156	54	54,933
Coasting... ..	1906	227	362,879	...	...	227	362,879
Junks, foreign-going ...	1906	...	...	189	4,579	189	4,579
Grand total ...	1906	277	414,656	193	7,735	470	422,391
	1905	238	286,006	157	4,129	395	290,135

CLEARED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.	Number of Vessels.	Tonnage.
Foreign-going—							
British ...	1906	5	7,892	3	2,039	8	9,731
	1905	2	5,465	...	...	2	5,465
German ...	1906	11	12,064	...	...	11	12,064
	1905	12	12,115	...	...	12	12,115
Swedish ...	1906	1	989	...	...	1	989
Norwegian ...	1906	6	5,346	...	...	6	5,346
	1905	18	13,272	...	...	18	13,272
Japanese ...	1906	26	24,492	...	...	26	24,492
Chinese ...	1906	1	826	...	...	1	826
Total ...	1906	50	51,409	3	2,039	53	53,448
	1905	32	30,852	...	...	32	30,852
Coasting—							
British ...	1906	5	7,506	...	...	5	7,506
	1905	34	53,276	...	...	34	53,276
German ...	1906	2	2,130	...	...	2	2,130
	1905	52	61,784	...	...	52	61,784
Swedish ...	1906	19	18,791	...	...	19	18,791
Norwegian ...	1906	13	14,882	...	...	13	14,882
	1905	42	41,009	...	...	42	41,009
Japanese ...	1906	196	321,000	...	...	196	321,000
	1905	58	79,348	...	...	58	79,348
Total ...	1906	216	345,518	...	...	216	345,518
	1905	205	254,208	...	...	205	254,208
Junks, foreign-going—							
Japanese ...	1906	...	...	45	1,114	45	1,114
	1905	...	...	41	962	41	962
Chinese ...	1906	...	...	139	3,444	139	3,444
	1905	...	...	111	3,039	111	3,039
Total ...	1906	...	...	184	4,558	184	4,558
	1905	...	...	152	4,001	152	4,001
Recapitulation—							
Foreign-going ...	1906	50	51,409	3	2,039	53	53,448
Coasting ...	1906	216	345,518	...	...	216	345,518
Junks, foreign-going ...	1906	...	...	184	4,558	184	4,558
Grand total	1906	266	396,927	187	6,597	453	403,524
	1905	237	285,060	152	4,001	389	289,061

Table VIII.—TABLE of the Raw Sugar Manufactured in the Districts of South Formosa during the Year 1906.

District.					Amount.
					Cwts.
Toroku	....	....	....	....	131,221
Kagi	....	....	....	....	201,720
Ensuiiko	....	....	....	....	444,726
Tainan	....	....	....	....	223,684
Hōzan	....	....	....	....	130,684
Akō	....	....	....	....	197,123
Banshōryō	....	....	....	....	25,124
Total	....	....	....	....	1,354,291

Table IX.—List of the Railway Stations on the Trans-Formosan Railway from Keelung to Takow and on Branch Line from Daitōtei to Tamsui.

MAIN Line.

Keelung.	Daitō.
Hatto.	Shōka.
Shiehito.	Katōkyaku.
Goto.	Inrin.
Suihenkyaku.	Shatō.
Nankō.	Denchuō.
Jakkō.	Nihachisui
Taihoku.	Kita Dakusui.
Manka.	Dakusui.
Bōkyō.	Sekiryūhan.
Jurin.	Toroku.
Sanshikyaku.	Tarimu.
Okaseki.	Daihorin.
Tōen.	Dabyō.
Kanshikyaku.	Kagi.
Chureki.	Suikutsutō.
Anpinghin.	Kohokiryō.
Yōbaisreki.	Shineisho.
Taikokō.	Rinhōei.
Kōmōden.	Banshiklen.
Shinchiku.	Wanri.
Kōzan.	Shinshigai.
Chūkō.	Tainan City.
Zōkyō.	Sharoken.
Kōrō.	Chūshūshō.
Byōritsu.	Taikogai.
Dōrawan.	Hanrochiku.
Sanshō.	Akōten.
Hakkōkō.	Kyōshitō.
Koroton.	Nanshikō.
Tanspihen.	Kyūjō.
Taichū.	Takow.
Ujitsu.	

BRANCH Line.

Daidotei.	Hokuto.
Taihoku.	Kōtō.
Maruyama.	Tamsui.
Shirin.	

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DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1907

ON THE

TRADE OF THE CONSULAR DISTRICT OF TAINAN
(SOUTH FORMOSA).

EDITED AT THE FOREIGN OFFICE AND THE BOARD OF TRADE.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 3863.

*Presented to both Houses of Parliament by Command of His Majesty,
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1908.

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CONTENTS.

	PAGE
Total value of trade	3
Comparison with previous years.....	3
Japan and foreign countries	3
Percentages	4
Imports	4
From foreign countries.....	4
Goods of Irish origin.....	4
From Japan	4
Percentages	4
Railway materials.....	4
Exports	5
To foreign countries and Japan	5
Percentages	6
Faw sugar	6
Review of sugar market	6
Adaptability of district for sugar cultivation	7
Sugar districts	8
Prospects of sugar industry.....	8
Sugar factory railways.....	9
Semi-open ports.....	9
Shipping, Anping and Takow	9
Railways.....	10
Foreign residents	11
Rate of exchange	11
Statistics—	
Table I.—Imports.....	12
„ II.—Exports	15
Tables III–V.—Trade of semi-open ports	16
Table VI.—Shipping, Anping and Takow.....	18

Reference to previous Report, Annual Series No. 3863.

Report on the Trade of the Consular District of Tainan (South Formosa) for the Year 1907

By MR. CONSUL A. E. WILEMAN.

Increase of total value of trade.—The total value of the import and export trades of the two open ports of Anping and Takow in 1907 was 2,232,605*l.* against 2,084,521*l.* in 1906, showing a total increase of 148,084*l.* in 1907.

Comparison with previous years.—The following table gives the total values of the import and export trades for the years 1906-07 and the average for the five years 1902-06 :—

	1906.	1907.	Average, Five Years 1902-06.	Increase or Decrease in 1907 compared with—	
				1906.	Average, Five Years 1902-06.
	£	£	£	£	£
Imports	742,108	1,025,413	576,242	+ 283,305	+ 449,171
Exports	1,342,413	1,207,192	798,076	− 135,221	+ 409,116
Total	2,084,521	2,232,605	1,374,318	+ 148,084	+ 858,287

The total trade for 1907 exceeded the average of the five years 1902-06 by 858,287*l.* Imports increased in 1907 by 283,305*l.* and exports diminished by 135,221*l.*

Total trade. Japan and foreign countries.—The following table shows the total value of the trade with Japan and foreign countries during the year 1907 :—

Country.	Imports.	Exports.	Total.
	£	£	£
Japan	702,345	1,138,871	1,841,216
China	140,488	50,938	191,426
United States (including Philip- pine Islands)	56,805	62	56,867
United Kingdom and colonies (comprising Hong-Kong only)	52,433	15,683	68,116
Germany	16,917	...	16,917
Other countries	56,425	1,638	58,063
Total... ..	1,025,413	1,207,192	2,232,605

The total value of the trade with foreign countries in 1907 amounted to 391,389*l.*, showing as compared with 1906 an increase of 49,009*l.* In 1906 there was an increase of 40,739*l.* as compared with 1905.

Percentages of total trade.—Japan took 82 per cent. of the total trade in 1907 against 83½ per cent. in 1906 and 80 per cent. in 1905, China 8½ per cent., the United Kingdom 3 per cent., the remaining 6½ per cent. being divided amongst Germany, the United States and other countries.

Imports (vide Table I).—The statistics of the import trade, which are shown in Table I annexed to this report, are divided into imports from foreign countries and from Japan.

Imports from foreign countries.—The total value of goods imported in 1907 from foreign countries was 323,068*l.* against 259,367*l.* in 1906, showing an increase of 63,701*l.*; compared with the average of the five years 1902–06 there was an increase of 82,480*l.*

Goods of Irish origin.—No goods of Irish origin were, as far as can be ascertained, imported into Anping or Takow in 1907.

Imports from Japan.—The total value of goods imported from Japan in 1907 was 702,345*l.* against 482,741*l.* in 1906, showing an increase of 219,604*l.*

Percentages of import trade.—Japan took 65 per cent. of the total import trade against 65 per cent. in 1906 and 60 per cent. in 1905; China 19½ per cent., the United Kingdom 8½ per cent., the remaining 7 per cent. being divided between the United States, Germany and other countries.

The following comparative table shows the total values of imports from Japan and foreign countries for the years 1906–07 and the average for the five years 1902–06:—

	1906.	1907.	Average, Five Years 1902–06.	Increase in 1907 compared with—	
				1906.	Average, Five Years 1902–06.
	£	£	£	£	£
Imports from Japan	482,741	702,345	335,654	219,604	366,691
Imports from foreign countries	259,367	323,068	240,588	63,701	82,480
Total ...	742,108	1,025,413	576,242	283,305	449,171

Railway materials.—A large increase in the importation of railway materials and machinery and rails and fittings, both from Japan and foreign countries, is noticeable in 1907, the total value imported being 126,776*l.* in 1907 against 13,135*l.* in 1906, an increase of 113,641*l.* This is attributable to the establishment of so many new modern sugar factories which will, in time, cover the extensive districts allotted to them by the sugar bureau for development with

a network of light railways and Découville truck railways for the transport of cane to the various factories from the field.

Exports, decrease of (vide Table II).—The total value of the export trade in 1907 shows a decrease of 135,221*l.* as compared with 1906 and an increase of 408,647*l.* as compared with the average value of the five years 1902–06. This deficit is attributable to the great decrease in the exportation of raw sugar, rice and hemp, which show a total falling-off of 154,060*l.*, counterbalanced, however, by increases in other items.

Foreign countries and Japan.—The total value of the export trade to foreign countries in 1907 was 68,321*l.* and to Japan 1,138,871*l.* against 83,013*l.* in the case of the former and 1,259,400*l.* in the case of the latter in 1906.

Imports from foreign countries show in 1907 an excess over exports to foreign countries of 254,747*l.*, as follows :—

	£
Imports from foreign countries ...	323,068
Exports to foreign countries ...	68,321
Excess of imports ...	254,747

The excess of imports from foreign countries was 176,354*l.* in 1906 and 199,991*l.* in 1905.

Exports to Japan show an excess over imports from Japan of 436,526*l.* as follows :—

	£
Exports to Japan	1,138,871
Imports from Japan	702,345
Excess of exports...	436,526

The total export trade to foreign countries and Japan shows in 1907 an excess over the total imports from foreign countries and Japan of 181,779*l.* against 600,305*l.* in 1906 and 264,260*l.* in 1905.

Shares of foreign countries and Japan in export trade.—The following table gives the total values of the shares of Japan and foreign countries in the export trade during the years 1906–07 and the average for the five years 1902–06 :—

	1906.	1907.	Average, Five Years 1902–06.	Increase or Decrease in 1907 compared with—	
				1906.	Average, Five Years 1902–06.
	£	£	£	£	£
Exports to Japan	1,259,400	1,138,871	714,082	– 120,529	+ 424,789
Exports to foreign countries	83,013	68,321	83,994	– 14,692	– 15,673
Total value of exports	1,342,413	1,207,192	798,076	– 135,221	+ 409,116

(368)

Percentages of export trade.—Of the total value of the export trade Japan took $94\frac{1}{2}$ per cent. and China $4\frac{1}{4}$ per cent., the remaining $1\frac{1}{4}$ per cent. being divided between the United Kingdom, United States and other countries.

Raw sugar.—The total amount of raw sugar exported in 1907 was 1,055,406 cwts., valued at 734,581*l.*, against 1,283,793 cwts., valued at 848,718*l.*, in 1906, showing a decrease in value of 114,137*l.* as compared with 1906. The average total value for the five years 1902–06 was 501,998*l.* The decrease of 114,137*l.* was due to a short crop produced by a want of rain at the proper season.

The following table shows the quantity and value of raw sugar exported to Japan and China and Hong-Kong respectively during 1907 :—

Kind of Sugar.	Japan.		China and Hong-Kong.		Total.	
	Cwts.	£	Cwts.	£	Cwts.	£
Brown sugar ...	1,053,922	733,142	10	7	1,053,932	733,149
White sugar ...	...	...	1,474	1,432	1,474	1,432
Total ...	1,053,922	733,142	1,484	1,439	1,055,406	734,581

Review of sugar market.—In the trade report for 1906 the sugar market was reviewed up to the end of the month of March, 1907, for the season 1906–07. The market remained at about 7 yen (14*s.* 7*d.*) to 7 yen 20 sen (15*s.*) per picul (133½ lbs.) during March, 1907, when, on reports being received that owing to want of rain in January, February and March, very little cane had been planted for the 1907–08 crop, which is due in November, and that there was every probability of a short crop for that season, prices gradually recovered, touching 7 yen 40 sen (15*s.* 5*d.*) in April, 8 yen 20 sen (17*s.* 1*d.*) in May and closing at 7 yen 70 sen (15*s.* 0½*d.*) in June. Rain came, however, towards the end of April and in May, when, though very late in the season (young shoots are planted in February, March and April), as many seedlings as could be found were planted, but on an average only about 70 per cent. of the cane came up. Fortunately during the rest of the year the rains were evenly distributed and in right quantities during the several months intervening between the planting and reaping seasons and such cane as came up has yielded fairly good results. The market for season 1907–08 opened in November, 1907, at 7 yen 40 sen (15*s.* 5*d.*) for Siongtao (ordinary medium grade) and on rumours of increased taxation from 8 yen (16*s.* 8*d.*) on January 31, 1908, to 8 yen 40 sen (17*s.* 6*d.*) in February. On February 26, 1908, the consumption tax on sugar was increased by 1 yen (2*s.* 1*d.*) for Class 1, 1 yen 10 sen (2*s.* 3½*d.*) for Class 2, 2 yen (4*s.* 8½*d.*) for Class 3 and 2 yen 50 sen (5*s.* 2½*d.*) for Class 4. Prices, however, instead of advancing,

slightly receded and stood during the whole of March, 1908, at 8 yen 20 sen to 8 yen 30 sen (17s. 1d. to 17s. 3½d.) per picul (133½ lbs.).

It would seem that bottom prices have been reached so far as old style brown sugars are concerned. It must be borne in mind that the price of 8 yen 20 sen (17s. 1d.) was only payable for delivery at Tainan (Anping) and that it cost 40 sen (10d.) per picul to bring the sugar from the mills and 3 yen (6s. 3d.) per picul for consumption tax and, as the native mills charge about 2 yen 50 sen (5s. 2½d.) per picul for manufacture, the net return to the farmer is on'y 2 yen 50 sen (4s. 9½d.) per picul of sugar. This picul of sugar, when manufactured by the old buffalo mill system, which gives an extraction in juice, on weight of cane, of only 45 per cent. and requires 1,660 kin (19 cwts.) of cane to produce a yield of 6 per cent. of sugar, gives a net return to the farmer of only about 1 yen 40 sen (2s. 11d.) per 1,000 kin (12 cwts.). An acre of land yields with the best cane about 15 to 20 tons of raw sugar (brown) so that the return per acre is about 35 to 42 yen (3l. 12s. 11d. to 4l. 7s. 6d.).

The modern mills, employing modern machinery, secure an extraction of 70 to 75 per cent., giving a yield of 9½ to 11 per cent. of white sugar of about No. 16 Dutch standard. They pay for their cane from 2 yen 50 sen (5s. 2½d.) to 3 yen 40 sen (7s. 1d.) per 1,000 kin (12 cwts.) in the field, that is to say, the mills pay for the cutting and transporting from field to mill. Generally speaking, the average price for cane paid by the modern mills is about 10s. per ton, so that the farmers do much better in a year like 1907 by supplying their cane to the modern mills. Rains having been very favourable in January, February and March, 1908, new plantings, so far, would indicate that the 1908-09 crop will be a heavy one, probably 40 to 50 per cent. in excess of the crop for 1907-08, or 20 to 25 per cent. in excess of an average crop.

Adaptability of South Formosa for sugar cultivation.—The opinions of experts on the adaptability of the wide western plains of South Formosa for the cultivation of sugar cane are highly commendatory, and it would seem that, if there were a proper system of irrigation capable of utilising the abundant supply of land water available, this region would be an ideal one for such cultivation. There is no doubt that South Formosa has a great future in store, provided that now, with the advent of so many large modern factories, simultaneous progress is made in the more scientific cultivation of the cane by deeper ploughing of the lands with the help of steam ploughs and in the acquirement of a better knowledge of the use of artificial fertilisers for the varied soils. Of course, in speaking of South Formosa it must be understood that only the plain region extending from the mountain ranges to the east, in the centre of the island, up to the west coast is available for the purposes of sugar cultivation, as the eastern half of the island consists of a lofty impenetrable mountain region.

One circumstance greatly in favour of sugar cultivation is the fact that the rains are, as a rule, evenly distributed; they generally come at the right time and stop at the right time, which is of enormous

value to Formosan sugar cultivation. Deep steam ploughing, however, is only feasible where the price of labour is high, and possibly the cheapness of labour in South Formosa and the fact that the holdings of the farmers, who lease their cane lands from the land-owners, or pay them in kind, are divided into such comparatively small lots, may render it extremely problematical whether deep steam ploughing could be universally and successfully adopted in South Formosa. The great desideratum for the country is financial assistance and cheapness of money, and this is only needed to place the sugar industry in South Formosa on an equally satisfactory footing as, for instance, in Java.

Sugar districts.—So far as can be ascertained, practically all the available sugar cane districts of any size have been allotted under the recent laws to various sugar mills on the central factory basis. There are, however, some small districts not yet allotted incapable of supporting big mills, but there is only one large district capable of supporting a mill of a crushing capacity of 1,000 tons per day, which is not yet taken up. There are, it seems, some 10,000 acres on the east coast of Formosa, which the sugar bureau would probably grant to anyone undertaking to plant cane, but as there is great difficulty in shipping on that coast, it is not probable that anyone will apply for that district.

Prospects of sugar industry.—The island of Formosa produced during the Chinese régime and up to the time the industry came under the control of the Japanese in 1895, 60,000 to 80,000 tons of brown sugar per annum, of which 45,000 to 50,000 tons were exported. The experience of the British firm in the district allotted to them would appear to indicate that by planting new and better cane, and by encouraging farmers to take up more land, the yield could be trebled, so that there is no reason why Formosa should not produce in the immediate future (say within the next five years) 200,000 to 240,000 tons of sugar per annum. The old style sugar was valued at 4 yen per picul, or say 7*l.* per ton, so that the value was 420,000*l.* to 560,000*l.* per annum, from which the Chinese Government obtained a duty of 18 c. (4½*d.*) per picul, or 6*s.* per ton. As a result of the encouragement which the Formosan Government has given to the industry, not only will the yield be trebled, but the value has been considerably increased. Sugars, as produced by these modern factories, are worth 14 yen (1*l.* 9*s.* 2*d.*) per picul in Japan, or 13 yen (1*l.* 7*s.* 1*d.*) per picul in Formosa, so that the yield by the land from this industry alone will be increased eventually from between 420,000*l.* and 560,000*l.* to between 4,400,000*l.* and 5,200,000*l.*, and the yield in taxes to the Government will be 1,000,000*l.* to 1,200,000*l.*, almost enough to meet the ordinary expenditure of the island. According to the report on the trade of Japan for 1906 the consumption in Japan in 1906 was 225,000 tons, so that even if the industry is fully developed in Formosa the yield will all be taken by Japan.

There is an import duty there of 2 yen 25 sen per picul (4*s.* 8½*d.*),

or 4*l.* per ton, on foreign sugars of No. 8 but under No. 15 Dutch standard, whilst Formosan sugars enter Japan free of duty. Besides this the Formosan Government gives encouragement in many ways, notably by supplying fertilisers, &c., therefore the sugar industry of Formosa should have a very bright prospect before it.

Sugar factory railways.—In all over 500 miles of 18 lbs. rails have been purchased and laid down, as well as a large number of locomotives and cane trucks by the various factories, all of which have a line to connect with the Trans-Formosan Railway, so that in the slack season these lines will be probably utilised as feeders. The gauge adopted is generally 2 feet 6 inches, but some have the same gauge as the trunk line.

Semi-open ports.—The following comparative table gives the value of the trade for the years 1906–07 of four special open ports opened by a notification of the Governor-General of Formosa in August, 1899. Only ships of Chinese construction, namely, junks, may enter and clear at these ports, and vessels other than Chinese may not import or export cargo without special permission from the Governor-General, unless chartered by Japanese subjects:—

Port.	1906.			1907.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Tokō	6,006	1,755	7,761	7,550	5,250	12,800
Tōseki	10,461	8,787	19,248	8,853	10,181	19,034
Makyu (Pescadores)	22,346	5,601	27,947	27,136	2,765	29,901
Hokkōkei	4,233	2,709	6,942	1,572	1,418	2,990
Total ...	43,046	18,852	61,898	43,111	19,614	64,725

The total trade of these four ports has increased by 2,827*l.* in 1907 as compared with 1906.

The quantity and value of the principal articles of import and export are given in Tables IV and V, and the shipping entered and cleared in Table VI annexed to this report. This shipping is confined to junks only. At the port of Makyu (Pescadores) 51 Japanese steamers of a tonnage of 86,627 tons entered in 1907.

Shipping, Anping and Takow.—Statistics of all shipping entered and cleared at the open ports of Anping and Takow during the years 1903–07 are given in Table VI annexed to this report.

Total shipping, inclusive of junks.—The total shipping entered was 570 vessels of 601,913 tons in 1907 against 470 vessels of 422,391 tons in 1906, an increase of 100 vessels and 179,522 tons in 1907.

Foreign-going vessels, exclusive of junks.—The total number of foreign-going vessels entered, exclusive of junks, was 64 vessels of 86,021 tons in 1907 against 54 vessels of 54,933 tons in 1906, an increase of 10 vessels and 31,088 tons.

Coasting vessels.—The total number of coasting vessels entered was 324 vessels of 511,365 tons in 1907 against 227 vessels of 362,879 tons in 1906, an increase of 97 vessels and 148,486 tons in 1907.

Junks, foreign-going.—The total number of Chinese and Japanese junks entered was 182 junks of 4,527 tons in 1907 against 189 junks of 4,579 tons in 1906, a decrease of 7 junks and 52 tons in 1907.

The following comparative table shows the nationality of the vessels entering engaged in the foreign-going and coasting trades, exclusive of junks, during the years 1906-07 and the respective increase or decrease in the numbers and tonnage entered, compared with 1906 :—

Foreign-going and Coasting Vessels.	1906.		1907.		Increase or Decrease in 1906 compared with 1907.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
British	14	18,354	9	17,597	— 5	— 757
German	12	18,205	4	5,096	— 8	— 8,109
Norwegian	22	23,534	1	891	— 21	— 22,643
Swedish	2	1,978	....	....	— 2	— 1,978
Chinese	1	826	....	....	— 1	— 826
Total	51	57,897	14	23,584	— 37	— 34,313
Japanese	230	359,915	374	573,802	+ 144	+ 213,887
Grand total	281	417,812	388	597,386	+ 107	+ 179,574

Foreign shipping.—The entries of foreign shipping show for the year 1907 a decrease of 37 vessels and 34,313 tons as compared with the year 1906.

Japanese shipping.—On the other hand Japanese shipping shows an increase of 144 vessels and 213,887 tons in 1907 as compared with 1906.

Foreign vessels, foreign-going trade only.—The number of foreign vessels engaged in the foreign-going trade only, which entered during 1907 was 14 vessels of 23,584 tons against 28 vessels of 30,073 tons in 1906, showing a decrease of 14 vessels and 6,488 tons in 1907.

Foreign vessels, coasting trade only.—In 1907 no foreign vessels entered which were engaged in the coasting trade, showing a decrease as compared with 1906 of 23 vessels and 27,824 tons.

Japanese vessels, foreign-going and coasting trades.—Of Japanese foreign-going vessels there were 50 entries of 62,437 tons in 1907 against 26 entries of 24,860 tons in 1906, an increase of 24 vessels and 37,577 tons in 1907. Of Japanese coasting vessels there were 324 entries of 511,365 tons in 1907 against 204 vessels of 335,055 tons in 1906, an increase of 120 vessels and 176,310 tons in 1907.

Railways.—The Trans-Formosan Railway from Keelung to Takow has advanced during the year, the section between Hakkōkō

and Koroton being almost completed. When this section is opened to traffic, passengers will be able to travel through by rail from Keelung in the north to Kyūkyokudō in the south, as during 1907 the railway was extended from Tako to Kyūkyokudō viâ Hōzan, a distance of six miles. It is also intended to construct a railway on the east coast of Formosa in 1909, named the Taitō Railway, which will eventually form a junction with the Trans-Formosan Railway on the west coast at Kyūkyokudō.

Foreign residents.—In 1907 there were 36 British subjects resident in this Consular district. These included 21 adult males, and 11 adult females, and 4 female children.

Rate of exchange.—All calculations for the conversion of gold yen currency into sterling have been made at the rate of 1 yen equals 2s. 1d.

Table I.—RETURN showing Principal Articles of Import from Foreign Countries and Japan into the Open Ports of Anping and Takow during the Years 1906-07, and Average for the Five Years 1902-06.

IMPORTS from Foreign Countries.

Articles.	1907.	1906.	Average, Five Years 1902-06.	Increase or Decrease in 1907 compared with—		Remarks.
				1906.	Average, Five Years 1902-06.	
FOREIGN GOODS.						
Cotton goods—						
Grey shirtings	20,746	114,245	2,036	893	1,823	Trade in hands of native Chinese
White "	363,293	232,842	5,156	616	274	
Miscellaneous	20,605	33,027	2,449	461	1,454	
Woolen goods, camlets and lastings						
Metals, miscellaneous	121,815	31,400	2,690	177	1,310	Great increase due to stimulation of railway enterprise
Rails and fittings	...	...	8,600	38,153	41,712	
Railway materials	...	...	2,687	43,204	40,555	
Kerosene	936,050	840,360	27,247	1,170	6,217	
Ginseng	46	55	2,452	111	1,412	
Flour	15,078	11,063	8,776	2,861	814	Chiefly American
Condensed milk	13,964	9,336	1,966	1,590	1,792	Anglo-Swiss brand
Gunny bags	313,841	888,773	9,732	13,212	2,126	
Refined sugar	3,638	29	4,097	6,375	2,314	
CHINESE GOODS.						
Bags, hemp	78,710	40,590	756	372	58	Used for packing rice
Mats, for packing	2,009,376	2,907,672	13,591	6,446	745	" salt and sugar
Joos-sticks	879	1,343	1,292	351	555	
Tobacco, prepared	...	...	295	...	295	

Tobacco, leaf ...	...	Cwts. ...	25,241	53,766	19,705	42,331	15,986	+ 11,435	+ 37,750	Imported by Government from China for manufacture of prepared tobacco Chiefly Foochow poles
Timber and planks	...	...	...	10,240	...	13,080	10,192	- 2,840	+ 48	
Cotton piece-goods	...	...	17,381	317	125,384	2,001	4,408	- 1,634	+ 4,091	
Linen and cotton mixtures	...	Sq. yards	174,507	2,741	287,711	3,597	4,241	- 856	- 1,500	
Grass-cloths	...	"	38,272	1,067	71,354	1,378	1,720	- 311	- 653	Made from raw material exported to China and re- imported into Formosa
Cotton, raw	...	Cwts. ...	368	781	913	1,950	2,428	- 1,169	- 1,847	For stuffing quilts and wadded Chinese cloths
Paper (including joss-paper)	...	...	...	4,811	...	6,157	5,201	- 546	- 390	
Porcelain and earthenware	...	...	...	2,673	...	3,100	2,770	- 427	- 97	
Miscellaneous (foreign and Chinese goods)	...	...	...	67,977	...	77,034	91,817	- 9,057	- 23,570	
Total	...	...	...	323,068	...	259,367	210,588	+ 63,701	+ 82,480	

RETURN showing Principal Articles of Import from Foreign Countries and Japan, &c.—continued.

IMPORTS from Japan.

Articles.	1906.	1907.	Average, Five Years 1902-06.	Increase or Decrease in 1907 compared with—		Remarks.
				1906.	Average, Five Years 1902-06.	
JAPANESE GOODS.						
Beer	8,423	10,299	5,744	+ 1,876	+ 4,555	Gradually ousting foreign cotton and Chinese cotton piece-goods
Cerment and lime	6,634	18,618	6,477	+ 11,984	+ 12,141	
Cotton piece-goods	67,704	85,574	51,969	+ 17,870	+ 33,605	
Drugs and medicines	3,773	12,454	3,875	+ 8,681	+ 9,079	
Fish, salt and dried	4,783	26,466	2,663	+ 21,683	+ 23,803	Chiefly tinned, but including also salted provisions
Matches	17,818	24,029	10,496	+ 6,211	+ 13,533	
Metalware	10,833	65,020	3,852	+ 54,137	+ 61,168	
Paper	8,101	10,103	5,501	+ 2,002	+ 4,512	
Provisions, tinned, &c.	4,639	55,012	3,544	+ 50,373	+ 51,468	
Railway materials	167	4,531	12,436	+ 4,364	+ 7,955	
" machinery	771	28,691	4,720	+ 27,920	+ 23,971	
Rice	7,765	4,075	4,862	- 3,690	- 787	
Saké	22,991	22,755	19,153	- 236	- 3,602	
Soy	3,653	6,764	3,863	+ 3,111	+ 2,901	
Timber and planks	37,307	69,350	25,360	+ 31,943	+ 43,870	
Tobacco (cigarettes)	36,264	15,068	18,058	- 21,196	- 2,990	
Cuttlefish	3,251	8,489	2,199	+ 5,238	+ 6,290	
Glass and glassware	2,515	5,619	1,298	+ 3,104	+ 4,321	
Beans, peas and other grains	809	2,575	1,136	+ 1,767	+ 1,439	
Coal	12,277	11,086	3,909	- 1,191	+ 7,177	
Miscellaneous	222,214	215,867	144,879	- 6,347	+ 70,988	
Total	482,741	702,345	335,654	+ 219,604	+ 360,691	

TAINAN.

Gradually ousting foreign cotton and Chinese cotton piece-goods

Chiefly tinned, but including also salted provisions

Table II.—RETURN showing Principal Articles of Export from the Open Ports of Anping and Takow during the Years 1906-07, and Average for the Five Years 1902-06.

Articles.	1906.		1907.		Average, Five Years 1902-1906.	Increase or Decrease in 1907 compared with—		Remarks.
	Cwts.	£	Cwts.	£	£	1906.	Average, Five Years 1902-06.	
Sugar, raw—								
Brown	1,272,509	839,352	1,053,932	733,149	478,200	- 106,203	+ 254,949	
White	11,284	9,366	1,474	1,432	23,798	- 7,934	- 22,366	
Total	1,283,793	848,718	1,055,406	734,581	501,998	- 114,137	+ 232,583	
Rice	1,304,393	397,327	1,085,864	369,277	198,763	- 28,050	+ 170,514	Decrease due to bad crop
Hemp	7,699	15,973	7,312	4,100	14,400	- 11,873	- 10,300	Raw material for making China grass-cloth re-imported into Formosa
Lungan—								
Pulp	11,792	15,412	6,028	7,450	7,738	- 7,962	- 288	Exported to Tientsin, Ningpo and Shanghai
Dried	13,134	5,611	18,878	8,000	3,665	+ 2,389	+ 4,335	Used as a drug
Turmeric	11,043	4,002	22,515	9,600	3,572	+ 5,598	+ 6,023	Used for drugs. To Hong-Kong and Shanghai
Sesamum seed	10,154	4,885	6,706	3,747	2,825	- 1,138	+ 922	
Oil cake	16,572	1,626	6,647	795	2,001	- 831	- 1,206	To Amoy. Used as manure
Pineapple fibre	554	1,542	5,872	1,968	1,943	+ 426	+ 25	„ Swatow. Used for making a fine kind of grass-cloth
Bamboo shoots	4,246	5,162	5,141	5,743	2,875	+ 581	+ 2,868	To Amoy and Hong-Kong. Used for food
Beans, peas and pulse	4,069	1,246	5,278	1,622	1,708	+ 376	- 86	
Salt	558,885	13,095	58,930	17,027	23,109	+ 3,932	- 6,082	
Miscellaneous	...	27,814	...	43,282	33,948	+ 15,468	+ 9,334	Including re-exports
Total	...	1,342,413	...	1,207,192	798,545	- 135,221	+ 408,647	

Table III.—RETURN showing Principal Articles of Imports into the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Year 1907.

Articles.	Tōkō.	Tōseki.	Makyu (Pesadores).	Hokkōkei.
				£
Flour	Cwts.	£	£	£
Provisions, assorted	119	56	1,872	1,185
Rice .....	...	...	...	2,405
Metals and metal ware .....	...	...	...	4,270
Sugar	Cwts. ....	...	384	1,934
Cotton piece-goods .....	...	...	...	568
Beer	Dozens	1	...	671
Saké .....	...	...	2,088	541
Timber and planks .....	...	...	...	1,903
Cement .....	...	997	...	2,128
Iron pans	Cwts. ....	...	2,661	524
Kerosene	Pieces	1,359	68,736	474
Porcelain and earthenware	Gallons	404	26,885	698
Paper (including joss paper) .....	...	1,535	...	202
Miscellaneous .....	...	158	...	212
	...	3,040	...	9,401
Total .....	...	7,550	...	27,136
	...	...	...	1,572

Table IV.—RETURN showing Principal Articles of Export from the Ports of Tōkō, Tōseki, Makyu and Hokkōkei during the Year 1907.

Articles.	Tōkō.		Tōseki.		Makyu (Pescadores).		Hokkōkei.	
	Cwts.	£	Cwts.	£	Cwts.	£	Cwts.	£
Rice	11,511	2,772	2,332	792	493	242	...	...
Sesamum seed	138	84	1,617	87	...	...	...	...
Lungan, dried	8	3	2,554	1,045	...	...	...	...
Hemp....	478	905	75	140	61	114	16	37
Oil cake ....	...	...	12,592	1,285	1,219	269	5,124	540
Peas	1,429	419	7,922	2,284	28	8	132	56
Miscellaneous ....	...	1,067	...	4,548	...	2,132	...	785
Total ....	...	5,250	...	10,181	...	2,765	...	1,418

(368)

B

Table V.—RETURN of all Shipping (exclusive of Junks Coastwise) during the Year 1907.

ENTERED (Junks).

Port.	Japanese.		Chinese.		Total.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Tōkō ...	9	229	50	813	59	1,042
Tōseki ...	35	799	52	1,209	87	2,008
Makyu ...	40	882	22	413	62	1,295
Hokkōkei ...	1	25	12	272	13	297
Total ...	85	1,935	136	2,707	221	4,642

CLEARED (Junks).

Port.	Japanese.		Chinese.		Total.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Tōkō ...	6	200	46	690	52	890
Tōseki ...	26	611	51	1,161	77	1,772
Makyu ...	24	515	18	372	42	887
Hokkōkei ...	1	25	15	244	16	269
Total ...	57	1,351	130	2,467	187	3,818

Table VI.—RETURN of all Shipping at the Open Ports of Amoy and Takow during the Years 1906-07.

ENTERED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Foreign-going—							
British ...	1906	5	7,692	4	3,156	9	10,848
	1907	9	17,597	...	...	9	17,597
German ...	1906	10	11,075	...	...	10	11,075
	1907	4	5,096	...	...	4	5,096
Swedish ...	1906	2	1,978	...	...	2	1,978
Norwegian ...	1906	6	5,346	...	...	6	5,346
	1907	1	891	...	...	1	891
Japanese ...	1906	26	24,860	...	...	26	24,860
	1907	50	62,437	...	...	50	62,437
Chinese ...	1906	1	826	...	...	1	826
Total ...	1906	50	51,777	4	3,156	54	54,933
	1907	64	86,021	...	...	64	86,021
Coasting—							
British ...	1906	5	7,506	...	...	5	7,506
German ...	1906	2	2,130	...	...	2	2,130
Norwegian ...	1906	16	18,188	...	...	16	18,188
Japanese ...	1906	204	335,055	...	...	204	335,055
	1907	324	511,365	...	...	324	511,365
Total ...	1906	227	362,879	...	...	227	362,879
	1907	324	511,365	...	...	324	511,365

ENTERED—continued.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Junks, foreign-going—							
Japanese ...	1906	...	...	42	1,038	42	1,038
	1907	...	...	52	1,470	52	1,470
Chinese ...	1906	...	...	147	3,541	147	3,541
	1907	...	...	130	3,067	130	3,067
Total ...	1906	...	...	189	4,579	189	4,579
	1907	...	...	182	4,527	182	4,527
Recapitulation—							
Foreign-going ...	1907	64	86,021	...	...	64	86,021
Coasting...	1907	324	511,365	...	...	324	511,365
Junks, foreign-going ...	1907	...	...	182	4,527	182	4,527
Grand total ...	1906	277	414,656	193	7,735	470	422,391
	1907	388	597,386	182	4,527	570	601,913

CLEARED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Foreign-going—							
British ...	1906	5	7,692	3	2,039	8	9,731
	1907	9	17,597	...	...	9	17,597
German ...	1906	11	12,064	...	...	11	12,064
	1907	4	5,096	...	...	4	5,096
Swedish...	1906	1	989	...	...	1	989
Norwegian	1906	6	5,346	...	...	6	5,346
	1907	1	891	...	...	1	891
Japanese	1906	26	24,492	...	...	26	24,492
	1907	45	393,366	...	...	45	393,366
Chinese ...	1906	1	826	...	...	1	826
Total ...	1906	50	51,409	3	2,039	53	53,448
	1907	59	416,950	...	...	59	416,950
Coasting—							
British ...	1906	5	7,506	...	...	5	7,506
German ...	1906	2	2,130	...	...	2	2,130
Norwegian	1906	13	14,882	...	...	13	14,882
Japanese	1906	196	321,000	...	...	196	321,000
	1907	324	511,901	...	...	324	511,901
Total ...	1906	216	345,518	...	...	216	345,518
	1907	324	511,901	...	...	324	511,901
Junks, foreign-going—							
Japanese ...	1906	...	...	45	1,114	45	1,114
	1907	...	...	43	1,220	43	1,220
Chinese ...	1906	...	...	139	3,444	139	3,444
	1907	...	...	122	2,846	122	2,846
Total ...	1906	...	...	184	4,558	184	4,558
	1907	...	...	165	4,066	165	4,066
Recapitulation—							
Foreign-going ...	1907	59	416,950	...	...	59	416,950
Coasting...	1907	324	511,901	...	...	324	511,901
Junks, foreign-going ...	1907	...	...	165	4,066	165	4,066
Grand total	1906	266	390,927	187	6,597	453	403,524
	1907	383	928,851	165	4,066	548	932,917

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DIPLOMATIC AND CONSULAR REPORTS.

J A P A N.

REPORT FOR THE YEAR 1908

ON THE

TRADE OF THE CONSULAR DISTRICT OF TAINAN
(SOUTH FORMOSA).

EDITED AT THE FOREIGN OFFICE AND THE BOARD OF TRADE.

REFERENCE TO PREVIOUS REPORT, Annual Series No. 4083.

*Presented to both Houses of Parliament by Command of His Majesty,
JUNE, 1909.*

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1909.

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CONTENTS.

	Page
Map of district.	
Currency	3
Rate of exchange.....	4
Towns and population	4
Map and towns	4
Principal ports.....	4
Language	4
Transport	4
Weights	4
Increase of trade.....	5
Total trade—	
Japan and foreign countries	5
Percentages	5
Imports (vide Table 4)	6
From Japan and foreign countries	6
„ foreign countries	6
„ Japan.....	6
Percentages	6
Total import trade	6
Exports (vide Table 5)	6
To foreign countries	7
„ Japan	7
Percentages	7
Raw sugar.....	7
Review of market	8
Sugar factories.....	9
Semi-open ports (vide Tables 6-9)	11
Shipping—	
Anping and Takow (vide Table 10).....	12
Total shipping.....	12
Foreign-going vessels	12
Coasting vessels	12
Junks, foreign-going	12
Foreign shipping.....	12
Japanese shipping	12
British shipping	12
Takow Harbour improvements.....	13
Railways	16
Arizan forests	16
Pineapple industry.....	17
British residents	17
Rate of exchange for report	17
Source of information.....	18
Statistics—	
Table 1.—Japan and foreign countries—total trade	18
„ 2.—Japan and foreign countries—imports	18
„ 3.—Japan and foreign countries—exports	19
„ 4.—Imports	20
„ 5.—Exports	23
Tables 6-9.—Trade of semi-open ports	24
Table 10.—Shipping, Anping and Takow	26

Currency.—The currency of Formosa consists of the Japanese yen divided into 100 sen.

10 rin = 1 sen
10 mon 1 rin

(70)

RATE of Exchange.

						Per Yen.	
						s.	d.
Sight buying rate of exchange for the year—							
Maximum	...	...	...	...	...	2	1 $\frac{1}{2}$
Minimum	...	...	...	...	...	2	0 $\frac{1}{16}$
Average	...	...	...	...	...	2	0 $\frac{1}{16}$
Sight selling rate of exchange for the year—							
Maximum	...	...	...	...	...	2	0 $\frac{3}{4}$
Minimum	...	...	...	...	...	2	0 $\frac{5}{16}$
Average	...	...	...	...	...	2	0 $\frac{5}{16}$

Towns and population.—The Tainan Consular district consists of the following Cho or districts :—

Cho.	Population.
Ako ...	163,301
Banshoryo	54,016
Ensuiko	273,164
Hozan	178,686
Kagi	195,336
Koshun	20,414
Tainan	201,709

Map and towns.—The population of the towns marked on the map accompanying this report is as follows :—

Ako ...	3,679
Ariko	2,881
Anping	5,968
Banshiden	197
Banshoryo	2,949
Ensuiko	6,881
Hozan	6,009
Hokkoeki	1,766
Kagi	45,215
Kyoshito	852
Kyukyokudo	1,278
Koshun	1,408
Koshiken	830
Shinyeisho	4,007
Tainan	56,707
Takow	7,215
Toko	9,982
Toseki	2,002

The inhabitants of this Consular district are engaged chiefly in agricultural and fishing pursuits, and there are no manufacturing towns.

The chief agricultural products will be found given in Table 5 annexed to this report

Principal ports.—The principal ports are Anping, Takow, Toko, Toseki, Hokkoeki.

Language.—The languages generally spoken are Japanese and Chinese (Amoy dialect), and English is permissible for commercial correspondence.

Transport.—Transport into the interior from the main line of railway is performed chiefly by coolies, sometimes by hand and bullock carts.

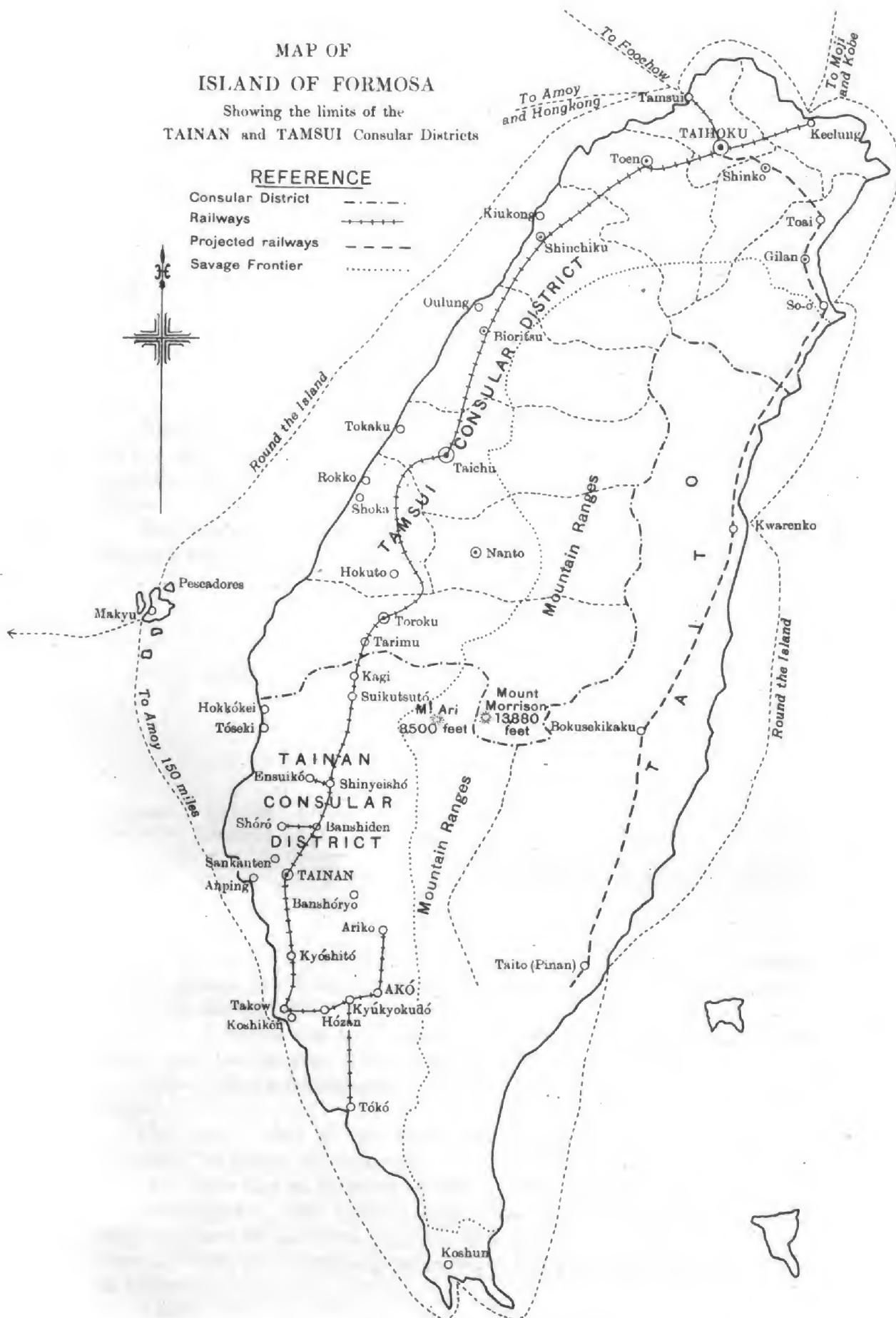
Weights.—Some of the principal weights of commercial importance, with British equivalents, are as follows :—

1 kin or catty	...	=	1.33 lbs. avoird.
1 picul = 100 kin or catties	...		133 $\frac{1}{2}$ lbs. avoird.
84 kin or catties	...		1 cwt.
1,680 kin or catties	...		1 ton

MAP OF
ISLAND OF FORMOSA
Showing the limits of the
TAINAN and TAMSUI Consular Districts

REFERENCE

Consular District	- - - - -
Railways	+ + + + +
Projected railways	- - - - -
Savage Frontier	.....



Reference to previous Report, Annual Series No. 4083.

*Report on the Trade of the Consular District of Tainan (South Formosa)
for the Year 1908*

By MR. CONSUL WILEMAN.

Increase of trade.—The total value of the import and export trade of the two open ports of Anping and Takow in 1908 was 3,068,092*l.* against 2,232,605*l.* in 1907, showing a total increase of 835,487*l.* in 1908.

The following table gives the total values of the import and export trades for the years 1906–08 and the average for the five years 1903–07:—

	1906.	1907.	1908.	Average, Five Years 1903–07.	Increase in 1908 compared with—	
					1907.	Average, Five Years 1903–07.
	£	£	£	£	£	£
Imports	742,108	1,025,413	1,539,582	696,653	514,169	842,929
Exports	1,342,413	1,207,192	1,528,510	940,212	321,318	588,293
Total	2,084,521	2,232,605	3,068,092	1,636,865	835,487	1,431,227

Total trade. Japan and foreign countries.—Table 1, annexed to this report, shows the total value of the trade with Japan and foreign countries during 1908.

Table 2 shows the total value of imports from foreign countries and Japan for the year 1908, in comparison with 1906 and 1907.

Table 3 shows similar statistics for exports to foreign countries and Japan.

The total value of the trade with foreign countries amounted to 837,258*l.*, showing as compared with 1907 an increase of 445,869*l.* In 1907 there was an increase of only 49,009*l.* as compared with 1906.

Percentages of total trade.—Japan took 72½ per cent. of the total trade against 82 per cent. in 1907, 83½ per cent. in 1906 and 80 per cent. in 1905, the remaining percentages being divided approximately as follows:—

(70)

						Per Cent.
United Kingdom ...	...	...	...	...	...	8½
China ...	...	...	...	...	...	5½
Other countries ...	...	...	...	...	...	5½
United States ...	...	...	...	...	...	4½
Germany ...	...	...	...	...	...	3½

Imports (vide Table 4).—The statistics of the import trade, which are shown in Table 4 annexed to this report, are divided into imports from foreign countries and from Japan.

From Japan and foreign countries.—The following comparative table shows the total values of imports from Japan and foreign countries for the years 1906–08 and the average for the five years 1903–07 :—

	1906.	1907.	1908.	Average, Five Years 1903–07.	Increase in 1908 compared with—	
					1907.	Average, Five Years 1903–07.
	£	£	£	£	£	£
Imports from Japan	482,741	702,345	768,135	432,148	65,790	335,987
Imports from foreign countries	259,367	323,068	771,447	264,505	448,379	506,942
Total...	742,108	1,025,413	1,539,582	696,653	514,169	842,929

From foreign countries.—The total value of goods imported in 1908 from foreign countries was 771,447*l.* against 323,068*l.* in 1907, showing an increase of 448,379*l.*

From Japan.—The total value of goods imported from Japan in 1908 was 768,135*l.* against 702,345*l.* in 1907, showing an increase of 65,790*l.*

Percentages.—Japan took 50 per cent. of the total import trade against 69 per cent. in 1907, 65 per cent. in 1906 and 60 per cent. in 1905; the remaining percentages being divided approximately as follows :—

						Per Cent.
United Kingdom ...	...	...	...	...	...	15½
Other countries ...	...	...	...	...	...	10½
United States ...	...	...	...	...	...	9½
China ...	...	...	...	...	...	7½
Germany ...	...	...	...	...	...	6½

Total import trade.—The total import trade shows the large increase in 1908 of 514,169*l.* as compared with 1907.

Exports (vide Table 5).—The following comparative table shows the total values of exports to Japan and foreign countries for the years 1906–08 and the average for the five years 1903–07 :—

	1906.	1907.	1908.	Average, Five Years 1903-07.	Increase or Decrease in 1908 compared with—	
					1907.	Average, Five Years 1903-07.
	£	£	£	£	£	£
Exports to Japan	1,259,400	1,138,871	1,462,699	872,301	+ 323,828	+ 590,398
Exports to foreign countries	83,013	68,321	65,811	67,911	- 2,510	- 2,100
Total...	1,342,413	1,207,192	1,528,510	940,212	+ 321,318	+ 588,298

The detailed statistics of the export trade are shown in Table 5 annexed to this report.

The total value of the export trade in 1908 shows an increase of 321,318*l.* as compared with 1907. In 1907 there was a large deficit of 135,221*l.* as compared with 1906, so that the large increase in 1908 is very satisfactory and points to a complete revival of the export trade.

To foreign countries.—The total value of the export trade to foreign countries in 1908 was 65,811*l.* against 68,321*l.* in 1907.

To Japan.—The total value of the export trade to Japan in 1908 was 1,462,699*l.* against 1,138,871*l.* in 1907.

Percentages.—Of the total value of the export trade Japan took 95½ per cent., the remaining 4½ per cent. being divided amongst China, the United Kingdom, the United States and other countries.

The total import trade from foreign countries and Japan shows in 1908 an excess over the total exports to foreign countries and Japan of 11,072*l.*

Exports to Japan show an excess over imports from Japan of 694,564*l.*, as follows:—

Exports to Japan	...	...	...	£ 1,462,699
Imports from Japan	...	...	...	768,135
Excess of exports	...	...	...	694,564

Imports from foreign countries show an excess over exports to foreign countries of 705,636*l.*, as follows:—

Imports from foreign countries	...	...	...	£ 771,447
Exports to foreign countries	...	...	...	65,811
Excess of imports	...	...	...	705,636

Raw sugar.—The total amount of raw sugar exported in 1908 was

1,188,451 cwts., valued at 927,925*l.*, against 1,055,407 cwts., valued at 734,581*l.*, in 1907, showing an increase of 133,044 cwts. and 193,344*l.* as compared with 1907. In 1906 the total amount exported was 1,283,793 cwts., valued at 848,718*l.*

The average total value for the five years 1903-07 was 566,008*l.*, 1908 therefore showing an increase as compared with this average of 319,092 cwts., valued at 361,917.

The following table shows the quantity and value of raw sugar exported to Japan and China and Hong-Kong respectively during 1908 :—

	Japan.		China and Hong-Kong.		Total.	
	Cwts.	£	Cwts.	£	Cwts.	£
Brown sugar...	1,186,699	926,345	1,752	1,580	1,188,451	927,925

Review of sugar market.—In the trade report for 1907 the sugar market was reviewed up to the end of the month of February, 1908, for the season 1907-08. After the new consumption law tax came into force in February, 1908, the market declined from 8 yen 35 sen (17*s.* 0½*d.*) early in March to 8 yen (16*s.* 4*d.*) per picul (132½ lbs.) for Siongtau towards the end of the month, but rose again on account of rumours of shortage of stock in Japan to 8 yen 90 sen (18*s.* 2*d.*) per picul in the middle of April and closed in June, 1908, at 8 yen 40 sen (17*s.* 1½*d.*).

The 1907-08 crop has been one of fairly steady prices and is notable for the shortage of low-grade sugars, the production having been mainly of high-grade brown sugars which realised 80 sen (1*s.* 7½*d.*) per picul higher than Siongtau and at one time, owing to the shortage of the latter quality, the difference was reduced to only 60 sen (1*s.* 2½*d.*) per picul between the two grades. The higher grade is known as "Chut Lui," that is, "above grade." The foundation of purchases is usually Siongtau and so much more is paid for the "above grade" and so much less for the lower grades, hence the expression "above" meaning above the ordinary grades. Exporters did only a steady commission business and large profits were not made. The Chinese factories only did moderately well owing to the higher consumption tax paid. At an average price of 8 yen 50 sen (17*s.* 4½*d.*) for Siongtau the millers only get a net amount of 5 yen (10*s.* 2½*d.*), as 3 yen (6*s.* 1½*d.*) must be deducted for the tax and 50 sen (1*s.* 0½*d.*) for transportation expenses to the merchants' godowns. From the 5 yen per picul net at the factory, the millers must pay about 2 yen 30 sen (4*s.* 8½*d.*) per picul for expenses of manufacturing, leaving 2 yen 70 sen (5*s.* 6*d.*) for themselves and the farmers, the latter getting from 2 yen 39 sen (4*s.* 10½*d.*) to 2 yen 50 sen (5*s.* 1½*d.*) per picul for their cane.

The 1908-09 crop opened in November, 1908, at 8 yen 60 sen (17*s.* 6½*d.*) per picul and rapidly rose to 9 yen 60 sen (19*s.* 7*d.*) in December owing to rumours of greatly decreased quantities of brown sugars, caused by the starting of the many new centrifugal factories

which absorbed the cane hitherto supplied to the brown sugar mills. Large quantities of centrifugal sugars were also sold ahead by the various factories at prices ranging from 12 yen 50 sen (1*l.* 5*s.* 6½*d.*) per picul to 13 yen (1*l.* 6*s.* 6½*d.*) per picul c.f.i. Yokohama, or 1 yen (2*s.* 0½*d.*) less ex factory, the factory paying the consumption tax. It was at first estimated that the crop, which is a record one, would yield only 600,000 piculs (35,714 tons) of brown sugars and 900,000 piculs (53,571 tons) of centrifugals, and as from this 600,000 piculs, about 300,000 piculs (17,857 tons) have to be deducted for local consumption, it will be readily understood that there was some cause for the apprehension which caused the rise in price. However, when it was found that although all the new mills were practically finished and had started work in December, they could not work to their full capacity owing to the occurrence of minor troubles incidental to the running of new machinery, and that consequently most of the mills were obliged to give up part of their cane to the Chinese farmers to crush in their brown factories, prices receded to 8 yen 50 sen (17*s.* 4½*d.*) per picul, at which they have remained steady up to the middle of March, 1909. The revised estimates now give an expected exportation of 600,000 piculs (35,714 tons) of brown sugar and 700,000 piculs (41,666 tons) of centrifugals, leaving 300,000 piculs (17,857 tons) of brown for local consumption out of a total estimated crop of 1,600,000 piculs (95,238 tons). The advent of the two principal Japanese importers of sugar in South Formosa has made trade very difficult for the foreign merchant for this crop (1908-09), as these two firms were the principal people to whom the foreign firms used to sell their holdings. As these two firms are in keen competition with each other margins have been so cut down that the foreign firms could hardly enter into competition with them even for making their own shipments, and so far as one can prophecy the days of the foreign commission merchant would appear to be numbered. The two principal products handled by the foreign merchants have of recent years been confined to sugar and rice, but as these two Japanese firms, as well as a number of less important Japanese firms, all handle both products and appear to be willing to out-advance the foreigners as well as outbid them in price, business for the foreigners will either have to be speculative or confined to imports, which again have dwindled to very limited proportions and are confined to only a few articles. Of course there will be machinery and accessories usually required by large sugar factories, and the foreign firms will have to reorganise their staffs in order to cope with the new trade whilst giving up the old one.

Sugar factories.—The following notes concerning the principal sugar factories in South Formosa show the progress made during 1908 :—

Taiwan Seito Kaisha (Taiwan Sugar Company).—This company has duly completed the three new mills in course of construction during 1908, and referred to in the report for 1907, and sugar crushing was commenced in December, 1908. These mills are situated at Kyoshito (460 tons, short, in 24 hours), Koshiken (1,000 tons, short, in 23 hours) and Ako (1,200 tons, short, in 23 hours). In 1908 the company purchased two large sets of steam ploughing tackle composed of four engines of 24 horse-power each for use in the Koshiken district, thus

making four sets now in use in that district, and 2,000 acres have already been ploughed for the next crop. A number of locomotives have been imported from the United States for plantation purposes, and 90 miles of permanent and portable railway and trolley line have been laid during the year; 400 Japanese immigrants have also been engaged from Japan for work on the plantation at Koshiken for a period of three years, and more will be engaged for the plantation at Ako.

Dai Nippon Seito Kaisha (Dai Nippon Sugar Company).—The mill in course of construction for this company at Gokenseki, near Tarimu (1,200 tons, metric, in 23 hours), alluded to in the report for 1907, has been duly completed and commenced crushing operations in December, 1908.

Toyo Seito Kaisha.—The mill situated at Suikutsuto, near Kagi (1,000 tons, long, in 22 hours), alluded to in the report for 1907, was completed and commenced crushing in December, 1908. The estimated crop of cane for the season is about 88,000 tons, of which 18,000 tons have already been crushed (February, 1909), the sugar obtained amounting to about 1,800 tons. The permanent railway line of 47 miles and all bridges are now completed. The rolling-stock consists of 300 wagons; and at present five locomotives are employed, one of 50 horse-power and four of 40 horse-power. Another locomotive and 50 additional wagons will shortly arrive. The water supply for the factory is obtained from the River Hatsoke, from whence it will be pumped to the reservoirs by two electrically driven centrifugal pumps, each capable of discharging 30,000 gallons of water per hour. At present an oil engine of 20 horse-power and two 6-inch centrifugal pumps are temporarily employed.

Meiji Seito Kaisha (Meiji Sugar Company).—The mill near Ban-shiden railway station, in course of construction during 1908 and alluded to in the report for 1907, was completed in November, 1908. It is expected to produce 110,000 piculs (6,547 tons) of sugar during the season.

The second mill owned by this company in course of erection at Sumtau, near Kagi (750 tons in 22 hours), will not be completed until November, 1909.

Ensuiko Seito Kaisha.—The mill in course of construction during 1908 (850 tons; short, in 24 hours), situated at Shinyeisho, was completed in December, 1908. The extension of the old mill situated at Ensuiiko, which has been enlarged from a capacity of 400 tons, short, in 24 hours to 600 tons, short, in 24 hours has also been duly completed.

Formosan Sugar and Development Company, formerly known as the Hing-Hoat Sugar Company, situated at San-kan-ten.—This British company was registered in London on January 18, 1908, with a capital of 80,000*l.*, divided into 60,000*l.* of 6 per cent. cumulative preference shares and 20,000*l.* ordinary shares. The new capital obtained has been utilised to enlarge the plant from 350 to 700 tons of cane per day, and the new machinery was completed on February 3, 1909, although crushing was started with the old plant about the middle of December, 1908. The factory is expected to produce this crop (1908–09), about

55,000 piculs (3,273 tons) of sugar as compared with 14,714 piculs (875 tons) for 1907-08 crop. On account of the enlargement of the plant before mentioned, the cane-buying district has been increased by about 5,000 acres, and it is expected that in the crop for 1909-10 the production will be nearly 100,000 piculs (5,952 tons).

The water supply is obtained by damming the river close by and no pumps are used, the water being led by a pipe to the well near the condenser pumps, a great advantage where a large quantity of water is required for the condensers. The trolley line is 22 miles in length, with a rolling-stock of 265 cars, each taking $2\frac{1}{2}$ tons of cane. The gauge is 24 inches instead of 30 inches, which is the gauge adopted by the majority of Formosan factories. Three locomotives have been purchased to arrive in time for the 1909-10 crop. It may be mentioned that the facilities for transportation are most favourable. The mill is situated in such a position relative to the cane that there is a gradual gradient in its favour so that not much power is necessary to transport the cane to the mill. The transport of sugar to Anping for export is effected by the river and costs only 5 sen ($1\frac{1}{4}d.$) per bag. The total cane area is now over 10,000 acres, and, judging from the figures already quoted, the company has already made great progress in bringing land under cultivation. It is calculated that the district worked by this company will yield in three years' time 10,000 tons of sugar. The price obtained from the sugar is 13 yen (11. 6s. $6\frac{1}{4}d.$) per picul, only one grade of sugar being manufactured. Experiments are being conducted with a view to making brown sugar from the residual molasses, and it has been proved that this can be done, but some modification of the present experimental plant is necessary and will be installed later on.

Hokuto Sugar Mill.—Owned by Bain and Co., a British firm. This was originally a small 100-ton brown sugar mill, and it was intended to enlarge and convert it into a 240-ton centrifugal mill during 1909. The Sugar Bureau, however, have arranged for the incorporation of the district belonging to this mill within the district of a large new mill of from 700 to 800 tons crushing capacity, which is to be erected by a Formosan-Chinese financier. Compensation will be paid to the British firm for the machinery already installed, and the Sugar Bureau has allotted to them another district near Takow in exchange. In this new district the British firm will install the new machinery which has been purchased for Hokuto and will also purchase the necessary additional machinery required for a mill crushing 300 tons of cane per 22 hours to produce centrifugal sugar. This new mill at Takow will be completed by November, 1909, in time for the 1909-10 crop, which is estimated to produce 30,000 piculs (1,785 tons).

Semi-open ports.—Table 6 annexed to this report gives the value of the total trade for the years 1907-08 of four special open ports, viz., Toko, Toseki, Hokkokei and Makyu (Pescadores) opened by a notification of the Governor-General of Formosa in August, 1899. Only ships of Chinese construction, namely, junks, may enter and clear at these ports, and foreign vessels other than Chinese may not import or export cargo without special permission from the Governor-General unless chartered by Japanese subjects. No statistics are given

for the port of Hokkokei for the year 1908, as the customs-house has been closed at that port, and the returns of import and export trade are included in those for Toseki, which is situated 8 miles distant. The total trade of these four ports has increased by 9,466% in 1908 as compared with 1907.

The quantity and value of the principal articles of import and export are given in Tables 7 and 8 and the shipping entered in Table 9. This shipping is chiefly confined to junks.

Shipping. Anping and Takow.—Statistics of all shipping entered at the open ports of Anping and Takow during the years 1907–08 are given in Table 10 annexed to this report.

Total shipping.—The total shipping entered was 611 vessels of 646,279 tons in 1908 against 570 vessels of 601,913 tons in 1907, an increase of 41 vessels and 44,366 tons in 1908.

Foreign-going vessels.—The total number of foreign-going vessels entered, exclusive of junks, was 73 vessels of 110,314 tons in 1908 against 64 vessels of 86,021 tons in 1907, an increase of 9 vessels of 24,293 tons in 1908.

Coasting vessels.—The total number of coasting vessels entered was 336 vessels of 530,181 tons in 1908 against 324 vessels of 511,365 tons in 1907, an increase of 12 vessels of 18,816 tons in 1908.

Junks, foreign-going.—The total number of junks entered in 1908 was 202 of 5,784 tons against 182 junks of 4,527 tons in 1907, an increase of 20 junks and 1,257 tons in 1908.

The following comparative table shows the nationality of the vessels entering engaged in the foreign-going and coasting trades, exclusive of junks, during the years 1907–08 and the respective increase or decrease in the numbers and tonnage entered compared with 1907 :—

Foreign-going and Coasting Vessels.	1907.		1908.		Increase or Decrease in 1908 compared with 1907.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
British ...	9	17,597	16	39,017	+ 7	+ 21,420
German ...	4	5,096	3	8,162	— 1	+ 3,066
Norwegian ...	1	891	4	3,519	+ 3	+ 2,628
Total ...	14	23,584	23	50,698	+ 9	+ 27,114
Japanese ...	374	573,802	386	589,797	+ 12	+ 15,995
Grand total	388	597,386	409	640,495	+ 21	+ 43,109

Foreign shipping.—The entries of foreign shipping show for the year 1908 an increase of 9 vessels of 27,114 tons as compared with 1907.

Japanese shipping.—Japanese shipping shows an increase of 12 vessels of 15,995 tons as compared with 1907.

British shipping.—British shipping has increased in 1908 by 7 vessels of 21,420 tons as compared with 1907. This was due to entries at Takow of steamers conveying machinery for the various new sugar mills erected in Formosa.

Takow Harbour improvements.—The following particulars regarding the improvements to be made in the harbour at Takow have been kindly furnished by Mr. Nagao, Chief of the Engineering Bureau at Taihoku:—

It has been recognised by the general public that there is a great necessity for the construction of a good harbour in the south of Formosa, and Takow has been selected as the most suitable locality for this purpose.

The harbour of Takow is surrounded by land on all sides, which forms a lake-like estuary or lagoon, which is connected with the sea on the north-eastern part by an outlet only 300 feet in width. It is remarkably well protected from storms in all directions so that there is no danger of high waves entering the inner harbour, but it is at present practically useless for the following reasons:—

1. In most places the water is less than 3 feet deep at ebb tide.
2. The narrow entrance to the lagoon does not exceed 300 feet in width and is blocked with large rocks in the middle.
3. Outside the entrance to the harbour there is a bar 480 feet wide by 9,000 feet long, which is in many places not more than 6 feet below ebb tide.

4. There is no proper accommodation for quays, godowns or cranes.

The following plan for the improvement of the harbour has been proposed and is now in course of being carried into execution and will provide for the deficiencies above noted.

A harbour will be constructed which will allow of the entrance and clearance of 450,000 tons of cargo annually. As a preliminary step the harbour will be dredged inside and quays and wharves will be constructed. The work of dredging and reclamation was commenced in 1908 and has already made much progress. The rocks obstructing the entrance will be removed and a channel opened by dredging a portion of the outer bar. Inside the harbour it is intended to provide moorings for 10 vessels of from 2,000 to 5,000 tons each.

The following is a summary of the proposed plans:—

1. An area 6,600 feet in length and 1,200 feet in width inside the harbour will be dredged to the depth of 24 feet below the lowest ebb tide, and quay works along the northern shores will be constructed of 960 and 2,880 feet in length respectively. These quays will provide berths for seven or eight steamers of 400 feet in length, all of which may come alongside.

Simultaneously, buoys will be provided for separate moorings for three steamers.

2. Along the second quays 64,000 square yards of warehouse space will be provided and 60,000 square yards set aside for lumber yards. The land contiguous to the second quay which was reclaimed by the Railway Department subsequent to the year 1904 is the site for the railway station and customs-house. The new railway station has already been erected, having been removed from its former site further up the line.

3. At the back of the second quay an area 400 feet in width by 4,080 feet in length will be so arranged as to provide moorings for vessels of shallow draught and for the handling of their cargo. Walls

will be constructed along the back of the second quay and the lumber yards.

4. An area of about 280,000 square yards at the back of the first quay will be set aside as the site for a new town, and along its western boundary a canal 2,800 feet long by 180 feet wide will be constructed to a depth of 6 feet.

5. The rocks which obstruct the entrance will be removed and the shallow bottom dredged.

The entrance to the harbour will be widened to 350 feet and a depth of 30 feet below the lowest ebb tide maintained. Lighthouses will be constructed on both sides of the entrance.

6. A part of the sand bar outside the harbour will be dredged for a width of 600 feet and to a depth of 300 feet at lowest ebb tide, and a channel will be opened there and buoys placed on both sides.

7. The total quantity of earth to be dredged is about 6,000,000 cubic yards, of which 5,760,000 cubic yards will be dredged by a dredger of the working capacity of 320 cubic yards per hour.

The dredged earth will be carried out to sea outside the harbour. About 240,000 cubic yards will be dug out by manual labour and the material will be used for reclamation works.

8. The sites for the construction of the quays will be dredged to a depth of 35 feet below the lowest ebb tide and the piles driven down. On the piles will be placed concrete blocks in mass, to a height of 7 feet above the ebb tide. The number of piles required for the works is 9,000, and the quantity of ballast and rubble about 77,600 cubic yards; about 72,000 cubic yards of concrete will be required.

9. The following equipment will be provided for the manufacture of concrete blocks :—

Cement godowns	...	Square yards	3,200
Gravel and sand yards	...	"	14,000
Engine and boiler houses,	mixing	yards	
		Square yards	360
Carpenters' and blacksmiths' shops and			
watch-houses	...	Square yards	160
Piers	...	Number	2
Rails	...	Miles	3
Yard for the preparation of concrete blocks		Square yards	6,000

10. In addition to the equipment for the manufacture of concrete blocks, the following buildings will be required :—

		Square Yards.	
Warehouses and godowns	...	11,200	
Office buildings	...	46,859	
Officers' quarters and storehouses	...	3,440	

The total amount of expenditure approved for the harbour improvements is 483,160*l.* 8*s.* 4*d.*, which is to be distributed as follows over a period of six years :—

					£	s.	d.
During fiscal year—							
1908	...	...	...	...	71,458	6	8
1909	...	...	...	...	81,666	13	4
1910	...	...	...	...	102,083	6	8
1911	...	...	...	...	102,083	6	8
1912	...	...	...	...	91,875	0	0
1913	...	...	...	...	33,993	15	0
Total					483,160	8	4

PARTICULARS of Expenditure for Works.

					£	s.	d.
For dredging expenses—							
Dredging of moorings	...	...	...	...	98,578	16	3
„ „ for vessels of shallow draught	...	...	...	...	7,845	14	10
Dredging of channel outside the harbour	...	...	...	...	4,017	1	8
Total					110,441	12	9
For equipment of repair workshops—							
Repair shops	...	...	...	...	10,208	6	8
„ docks	...	...	...	...	6,125	0	0
Maintenance	...	...	...	...	1,633	6	8
Total					17,966	13	4
For quay works—							
Foundation works (pile driving and concrete under water)	...	...	...	...	31,405	14	8
Manufacture of materials and for construction	...	...	...	...	142,544	11	9
Equipments for manufacture of concrete blocks	...	...	...	...	8,886	18	3
Machinery and implements for manufacture of concrete blocks	...	...	...	...	13,540	8	11
Machinery and implements for construction of quay works	...	...	...	...	8,258	10	10
Buildings for manufacture of concrete blocks	...	...	...	...	5,394	11	10
Total					210,030	16	3
For sea walls	...	...	...	...	22,857	10	4
„ reclamation works	...	...	...	...	9,090	16	11
„ removal of rocks at entrance...	...	...	...	...	1,531	5	0
„ shore equipments—							
Warehouses and godowns	...	...	...	...	48,591	13	4
Equipments for moorings	...	...	...	...	1,657	16	8
Hoisting machines	...	...	...	...	5,927	8	4
Total					56,176	18	4
For entrance equipments	...	...	...	...	4,695	16	8
„ survey and miscellaneous expenses	...	...	...	...	1,020	16	8
For repairs	...	...	...	...	13,108	10	5
„ office expenses...	...	...	...	...	36,239	11	8

Railways.—The Trans-Formosan Railway was completed between Kelung and Takow in the month of April, 1908, and was officially opened on October 24 by His Imperial Highness Prince Kannin No Miya, who came for that purpose from Tokyo. Owing to this completion the service has been accelerated and the express train which runs once a day now performs the journey from Kelung to Takow, a distance of 246 miles, in 14 hours. Takow to Kyukyokudo, a distance of 10 miles, is also now open to traffic. The Trans-Formosan Railway has been 10 years in course of construction and has involved a total expenditure of 30,000,000 yen (3,062,500*l.*), the total outlay, contrary to usual experience, having been 1,250,000 yen less than the original estimate. This is owing to the fact that since 1905 the line has been yielding a good revenue. Many sugar mills in South Formosa have laid down light railways of 2 feet 6 inches gauge for the transportation of sugar cane and materials, and parts of these lines are in several instances used for public traffic.

The mileage of these lines open on December 31, 1908, was as follows :—

Taiwan Sugar Company, 90 miles, of which 30 miles are used also for public traffic from Kyukyokudo to Toko and from Ako to Ariko.

Meiji Sugar Company, 31 miles, of which 10 miles are used also for public traffic, from Banshiden to Shoro.

Shinko Sugar Company, 10 miles. No part of this is used for public traffic.

Ensuiko Sugar Company, 50 miles, of which 6 miles from Shinyeisho to Ensuiko are used for public traffic.

Toyo Sugar Company, 47 miles. No line open to public traffic.

Dai Nippon Sugar Company, 54 miles. No line open to public traffic.

Arizan forests.—In the trade report for 1906 mention was made of the preparations being made by the firm of Fujita Gumi, Osaka, for the exploitation for lumbering purposes of the magnificent forests on Mount Ari (Arizan).

Since that date much good work has been done by that company in opening up this district to civilisation. A road has been opened from Chikutoki, 9 miles from Kagi, to Pumpau, which is the Fujita Gumi settlement, situated on Mount Ari at an elevation of 7,300 feet, and Chikutoki has been connected with Kagi by a trolley railway. This road, broad in some places and in others narrowing to a mere forest path, is often damaged by storms and falling trees and cost over 15,000 yen (1,531*l.* 5*s.*) to construct. It was commenced in April, 1906, and completed in June, 1907, and traverses two ranges at a height of from 4,000 to 5,000 feet, until it reaches the final elevation of 7,300 feet. Some idea of the immense size of the trees of these forests may be gathered from the fact that the giant tree of Pumpau, which is shown to all visitors and well known in photographs, measures 24½ feet in diameter and is 144 feet high. The forests on Mount Ari, which are so dense that in many places the sunlight filters through with difficulty, are for the most part composed of some 70 varieties of trees, *Chamaecyparis* (Hinoki, Japanese name), larch and pine being predominant. There are also 10 varieties of Kashi No-ki (ever-

green oak), a wood much prized by the Japanese for making wooden-ware.

In order to convey the lumber from these mountain heights to the plains it was intended to construct a light railway 41 miles 20 chains long of a 2 feet 6 inches gauge; minimum radius, 150 feet; steepest incline 1 in 20, but up to the present some 25 miles of the road bed only have been completed.

Unfortunately, owing to complications with the Formosan Government concerning the exact terms of the concession and also to an under-estimate of the total cost of the undertaking, the Fujita Gumi decided to suspend their operations during 1908 so that the work has made no further progress.

So far the preparations for exploiting the lumber on Mount Ari have cost that company 2,500,000 yen (255,208*l.* 8*s.* 8*d.*), and finding that another sum of the same amount would be necessary to complete the work they resolved to abandon it. It is reported, however, that the Formosan Government has decided to take over the whole undertaking and will complete the railway and pay a compensation to the Fujita Company amounting to 1,800,000 yen (183,750*l.*) for the work already accomplished; 4,000,000 yen (408,333*l.* 6*s.* 8*d.*) will be provided for this purpose and a further sum of 1,900,000 yen (193,958*l.* 6*s.* 8*d.*) is to be spent in purchasing rolling-stock, cutting down timber and building house accommodation. This total sum of 5,900,000 yen (602,291*l.* 13*s.* 4*d.*) is to be distributed over the next five years of Formosan expenditure in the following proportions:—

	Yen.	£	s.	d.
1909-10	2,620,000	267,458	6	8
1910-11	830,000	84,729	3	4
1911-12	830,000	84,729	3	4
1912-13	860,000	88,608	6	8
1913-14	752,000	76,766	13	4

The immense virgin forests, which not only cover the Arizan district but so many other parts of Formosa, will be a source of great revenue at some future date.

Pineapple industry.—The pineapple is the most important and certainly the most valuable of all the Formosan fruits. It is very prolific in the south, especially in the Hozan district, and a tinning industry has been gradually increasing there of late years. The largest tinning factory is situated in the town of Hozan and is financed and administered by Japanese. In this factory they not only tin the fruit but also utilise the long serrated leaves for the manufacture of grass-cloth. The number of tins made in the Hozan district has increased from 96,413 in 1904 to 332,650 in 1907.

British residents.—In 1908 there were 36 British subjects resident in this Consular district, 22 adult males, 12 adult females and 2 children.

Rate of exchange.—All calculations for the conversion of gold yen currency into sterling have been made at the rate of 1 yen equals 2*s.* 0½*d.* For the years 1906-07 the rate was 2*s.* 1*d.* and allowance must therefore be made for this difference in making any comparisons of figures.

Source of information.—The statistics annexed to this report have been furnished by the courtesy of the Japanese customs-house.

Table 1.—TOTAL Value of Trade with Japan and Foreign Countries during the Year 1908.

Country.	Imports.	Exports.	Total.
	£	£	£
Foreign countries—			
China	117,764	51,891	169,655
United States, including Philippine Islands	143,808	870	144,678
United Kingdom and colonies, comprising Hong-Kong only	241,688	9,981	251,669
Germany	103,811	...	103,811
Other countries	164,376	3,069	167,445
Total	771,447	65,811	837,258
Japan	768,135	1,462,699	2,230,834
Grand total	1,539,582	1,528,510	3,068,092

Table 2.—TRADE with Japan and Foreign Countries during the Year 1908.

TOTAL Imports.

Country.	1906.	1907.	1908.	Increase or Decrease in 1908 compared with 1907.
	£	£	£	£
Foreign countries—				
China	144,269	140,488	117,764	— 22,724
United States, including Philippine Islands	43,552	56,805	143,808	+ 87,003
United Kingdom and colonies, comprising Hong-Kong only	62,382	52,433	241,688	+ 189,255
Germany	3,209	16,917	103,811	+ 86,894
Other countries... ..	5,955	56,425	164,376	+ 107,951
Total	259,367	323,068	771,447	+ 448,379
Japan	482,741	702,345	768,135	+ 65,790
Grand total	742,108	1,025,413	1,539,582	+ 514,169

Table 3.—TRADE with Japan and Foreign Countries during the Year 1908

TOTAL Exports

Country.	1906.	1907.	1908.	Increase or Decrease in 1908 compared with 1907.
	£	£	£	£
Foreign countries—				
China	58,407	50,938	51,891	+ 953
United States, including Philip- pine Islands ... ..	...	62	870	+ 808
United Kingdom and colonies, comprising Hong-Kong only	21,210	15,683	9,981	— 5,702
Other countries... ..	3,396	1,638	3,069	+ 1,431
Total	83,013	68,321	65,811	— 2,510
Japan	1,259,400	1,138,871	1,462,699	+ 323,828
Grand total	1,342,413	1,207,192	1,528,510	+ 321,318

Table 4.—RETURN showing Principal Articles of Import from Foreign Countries and Japan into the Open Ports of Anping and Takow during the Years 1907-08 and Average for the Five Years 1903-07.

(a) IMPORTS from Foreign Countries.

Articles.	1907.		1908.		Average, Five Years 1903-07.	Increase or Decrease in 1908 compared with—		Remarks.
	£	£	£	£		1907.	Average, Five Years 1903-07.	
FOREIGN GOODS.								
Cotton goods—								
Grey shirtings Sq. yards	20,746	213	110,048	973	1,580	+	760	607
White shirtings "	303,298	5,430	274,441	4,403	5,343	—	1,027	940
Miscellaneous ...	...	12,421	...	896	9,153	—	11,525	8,257
Woollen goods, camlets and lastings ... Sq. yards	20,605	995	17,474	619	2,163	—	376	1,544
Metals, miscellaneous ... Cwts.	...	1,380	...	17,104	1,995	+	15,724	15,109
Rails and fittings ...	121,815	50,312	225,445	88,513	18,662	+	38,201	69,851
Railway materials ...	...	43,242	...	95,167	11,335	+	51,925	83,832
Kerosene ... Gallons	986,050	21,030	1,726,526	44,626	25,836	+	23,596	18,790
Ginseng ... Cwts.	46	3,864	35	3,633	3,010	—	231	623
Flour ... "	15,078	7,962	37,350	18,353	8,281	+	10,391	10,072
								Chiefly American

Condensed milk ...	Dozens	13,964	3,758	17,949	5,356	2,431	+	1,598	+	2,925	Chiefly Anglo-Swiss brand
Gunny bags ...	Number	315,881	7,606	878,992	16,572	11,253	+	8,968	+	5,319	
Refined sugar ...	... Cwts.	3,638	6,411	5,167	9,480	5,379	+	3,069	+	4,101	
CHINESE GOODS.											
Bags, hemp ...	Number	78,710	698	99,309	829	776	+	131	+	53	Used for packing rice
Mats, for packing	Sq. yards	2,009,376	12,836	3,224,477	18,030	13,531	+	5,194	+	4,499	„ packing rice and sugar
Joss-sticks ...	... Cwts.	879	737	620	535	1,119	-	202	-	584	
Tobacco, prepared	... ..	...	...	...	...	16	-	...	-	16	
„ leaf ...	... Cwts.	25,421	53,766	12,643	2,650	26,739	-	32,116	-	5,089	Decrease due to over-purchases by Government in 1907 and consequent decreased importation in 1908
Timber and planks	... ..	...	10,240	...	109,718	10,817	+	99,478	+	98,901	Chiefly Foochow poles
Cotton piece-goods	Sq. yards	17,381	317	1,180,044	21,522	2,188	+	21,205	+	19,334	
Linen and cotton mixtures	...	...	...	...	...	...	...	...	...	...
Grass-cloths ...	Sq. yards	174,507	2,741	104,491	1,634	3,795	-	1,107	-	2,161	Made from raw material exported to China and re-imported into Formosa
„	„	38,272	1,067	15,072	378	1,606	-	689	-	1,228	
Cotton, raw ...	... Cwts.	368	781	1,656	4,455	2,234	+	3,674	+	2,221	For stuffing quilts and wadded Chinese cloths.
Paper (including joss-paper)	...	...	4,611	...	20,395	4,569	+	15,784	+	15,826	
Porcelain and earthenware	...	...	2,673	...	7,752	2,885	+	5,079	+	4,867	
Miscellaneous (foreign and Chinese goods)	...	...	67,977	...	258,854	87,809	+	190,877	+	171,045	
Total ...	...	...	323,088	...	771,447	284,505	+	448,379	+	506,942	

Table 4.—RETURN showing Principal Articles of Import from Foreign Countries and Japan into the Open Ports of Anping and Takow, &c.—continued.

(b) IMPORTS from Japan.

Articles.	1907.	1908.	Average, Five Years 1903-07.	Increase or Decrease in 1908 compared with—	
				1907.	Average, Five Years 1903-07.
	£	£	£	£	£
Beer	10,299	10,629	6,498	+ 330	+ 4,131
Cement and lime	18,618	21,198	9,922	+ 2,580	+ 11,276
Cotton piece-goods	85,574	9,827	62,474	- 75,747	- 52,647
Drugs and medicines	12,454	17,100	5,360	+ 4,646	+ 11,740
Fish, salt and dried	26,466	47,960	7,379	+ 21,494	+ 40,581
Matches	24,029	18,124	13,567	- 5,905	+ 4,557
Metalware	65,020	25,777	16,490	- 39,243	+ 9,287
Paper	10,103	13,091	6,434	+ 2,988	+ 6,657
Provisions, tinned, &c.	55,012	7,997	13,838	- 47,015	- 5,841
Railway materials	4,531	18,355	11,745	+ 13,824	+ 6,610
„ machinery	28,691	6,845	10,458	- 21,846	- 3,613
Rice	4,075	4,071	4,188	- 4	- 117
Saké	22,755	27,501	19,616	+ 4,746	+ 7,885
Soy	6,764	6,865	4,174	+ 101	+ 2,691
Timber and planks	69,250	95,958	36,575	+ 26,708	+ 59,383
Tobacco (cigarettes)	15,068	10,803	18,467	- 4,265	- 7,664
Cuttle fish	8,489	2,540	3,897	- 5,949	- 1,357
Glass and glassware	5,619	6,061	2,422	+ 442	+ 3,639
Beans, peas and other grains	2,575	2,770	1,651	+ 195	+ 1,119
Coal	11,086	16,526	6,126	+ 5,440	+ 10,400
Miscellaneous	215,867	398,137	170,867	+ 182,270	+ 227,270
Total	702,345	768,135	432,148	+ 65,790	+ 335,987

Table 5.—RETURN showing Principal Articles of Export from the Open Ports of Anping and Takow during the Years 1907-08 and Average for the Five Years 1903-07.

Articles.	1907.		1908.		Average, Five Years 1903-07.		Increase or Decrease in 1908 compared with—		Remarks.
	Cwts.	£	Cwts.	£	£	£	1907.	Average, Five Years 1903-07.	
Sugar, raw—									
Brown	733,149	1,188,451	927,925	550,412	+ 194,776	+ 377,513		See pages 7-11
White	1,432	...	...	15,596	- 1,432	- 15,596		
Total	...	734,581	1,188,451	927,925	566,008	+ 193,344	+ 361,917		
Rice	369,277	966,010	508,888	269,510	+ 139,611	+ 239,378		Raw material for making China grass-cloth re-imported into Formosa
Hemp	4,100	6,481	11,250	12,627	+ 7,150	- 1,377		
Total	...	373,377	972,491	520,138	282,137	+ 141,239	+ 238,001		
Lungan—									
Dried	8,000	26,304	11,276	4,869	+ 3,276	+ 6,407		Used as a drug Exported to Tientsin, Ningpo and Shanghai
Pulp	7,450	5,277	4,988	8,162	- 2,462	- 3,174		
Total	...	15,450	31,581	16,264	13,031	- 5,886	- 254		
Turmeric	9,600	8,911	3,905	3,651	- 5,695	+ 254		Used for drugs. To Hong-Kong and Shanghai
Sesamum seed	3,747	8,520	5,575	3,114	+ 1,828	+ 2,461		
Oil cake	795	4,531	594	1,898	- 201	- 1,304		
Pineapple fibre	1,968	319	798	1,830	- 1,170	- 1,032		To Amoy. Used as manure To Swatow. Used for making a fine kind of grass-cloth To Amoy and Hong-Kong. Used as food
Bamboo shoots	5,743	4,559	4,500	3,610	- 1,243	+ 890		
Beans, peas and pulse	1,622	2,638	847	1,939	- 775	- 1,092		
Salt	17,027	346,587	10,897	24,001	- 6,130	- 13,104		Including re-exports
Miscellaneous	43,282	...	37,067	38,993	- 6,215	- 1,926		
Total	...	1,207,192	...	1,628,510	940,212	+ 321,318	+ 588,298		

Table 6.—RETURN showing Total Trade at the Ports of Toko, Toseki, Makyu and Hokkoeki during the Years 1907-08.

Port.	1907.			1908.		
	Imports.	Exports.	Total.	Imports.	Exports.	Total.
	£	£	£	£	£	£
Toko	7,550	5,250	12,800	9,636	9,636	19,272
Toseki	8,853	10,181	19,034	13,232	11,376	24,608
Makyu (Pescadores) ...	27,136	2,765	29,901	26,766	3,545	30,311
Hokkoeki	1,572	1,418	2,990	...	...	...
Total... ..	45,111	19,614	64,725	49,634	24,557	74,191

Table 7.—RETURN showing Principal Articles of Import into the Ports of Toko, Toseki and Makyu during the Year 1908.

Articles.		Toko.		Toseki.		Makyu.		Total.
		£		£		£		£
Flour ... Cwts.	341	167	...	...	65	35	406	202
Provisions, as- sorted ... ..	...	470	...	289	...	4,534	...	5,293
Rice ... Cwts.	...	...	...	...	4,030	2,809	4,030	2,809
Metals and metalware ...	...	108	...	826	...	1,091	...	2,025
Cotton piece- goods Sq. yds.	929	15	11,415	194	11,830	232	24,174	441
Saké ... ..	...	...	...	...	...	2,722	...	2,722
Timber and planks ... ..	...	1,073	...	4,064	...	1,981	...	7,118
Iron pans Cwts.	2,891	1,824	2,212	1,225	460	299	5,563	3,348
Kerosene Gallons	9,275	273	40	2	15,300	413	24,615	688
Porcelain and earthenware...	...	1,770	...	1,399	...	412	...	3,581
Paper (includ- ing joss- paper) ... ..	...	360	...	767	...	740	...	1,867
Miscellaneous ...	...	3,576	...	4,466	...	11,498	...	19,540
Total ... ..	...	9,636	...	13,232	...	26,766	...	49,634

Table 8.—RETURN showing Principal Articles of Export from the Ports of Toko, Toseki and Makyu during the Year 1908.

Articles.	Toko.		Toseki.		Makyu.		Total.	
	Cwts.	£	Cwts.	£	Cwts.	£	Cwts.	£
Rice ...	31,778	7,120	13,217	4,085	556	134	45,551	11,339
Sesamum seed ...	543	274	1,933	990	15	7	2,491	1,271
Lungan ...	112	49	968	633	...	...	1,080	682
Hemp ...	531	754	262	430	129	179	921	1,363
Oil cake ...	...	...	12,690	2,227	5,050	1,447	17,740	3,674
Peas ...	167	50	2,565	689	206	81	2,938	820
Miscellaneous ...	...	1,389	...	2,322	...	1,697	...	5,408
Total ...	...	9,636	...	11,376	...	3,545	...	24,557

Table 9.—RETURN of all Shipping (exclusive of Junks, Coastwise) at the Ports of Toko, Toseki and Makyu during the Year 1908.

ENTERED (Junks).

Port.	Japanese.		Chinese.		Total.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Toko ...	14	376	58	1,032	72	1,408
Toseki ...	35	802	88	1,985	123	2,787
Makyu ...	34	731	7	151	41	882
Total ...	83	1,909	153	3,168	236	5,077

Table 10.—RETURN of all Shipping at the Open Ports of Anping and Takow during the Years 1907–08.

ENTERED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Foreign-going—							
British ...	1907	9	17,597	...	...	9	17,597
	1908	16	39,017	...	...	16	39,017
German ...	1907	4	5,096	...	...	4	5,096
	1908	3	8,162	...	...	3	8,162
Norwegian ...	1907	1	891	...	...	1	891
	1908	4	3,519	...	...	4	3,519
Japanese ...	1907	50	62,437	...	...	50	62,437
	1908	50	59,616	...	...	50	59,616
Total ...	1907	64	86,021	...	...	64	86,021
	1908	73	110,314	...	...	73	110,314
Coasting—							
Japanese ...	1907	324	511,365	...	...	324	511,365
	1908	336	530,181	...	...	336	530,181
Junks, foreign-going—							
British ...	1908	...	...	2	36	2	36
Japanese ...	1907	...	...	52	1,470	52	1,470
	1908	...	...	87	2,433	87	2,433
Chinese ...	1907	...	...	130	3,057	130	3,057
	1908	...	...	113	3,315	113	3,315
Total ...	1907	...	...	182	4,527	182	4,527
	1908	...	...	202	5,784	202	5,784
Recapitulation—							
Foreign-going ...	1907	64	86,021	...	...	64	86,021
	1908	73	110,314	...	...	73	110,314
Coasting ...	1907	324	511,365	...	...	324	511,365
	1908	336	530,181	...	...	336	530,181
Junks, foreign-going ...	1907	...	...	182	4,527	182	4,527
	1908	...	...	202	5,784	202	5,784
Grand total ...	1907	388	597,386	182	4,527	570	601,913
	1908	409	640,495	202	5,784	611	646,279

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CONTENTS.

	Page
Map of district.....	3
Currency	3
Rate of exchange	4
Towns and population, language, &c.	5
Increase of trade.....	5
Total trade—	
Japan and foreign countries	5
Percentages	6
Imports.....	6
Exports.....	6
Raw sugar—	
Review of market, tariff changes, &c.....	7
Semi-open ports	9
Shipping	10
Takow Harbour works	10
Railways	10
Irrigation and electric power.....	10
Arizan timber	11
Pineapple industry	11
New industries established and projected—	
Rubber.....	11
Sisal hemp	12
Slate	12
Oil	12
Silk	12
Summary of conditions and outlook in South Formosa	12
British residents	13
Rate of exchange	13
Source of information.....	13
Statistics—	
Table 1.—Japan and foreign countries—total trade.....	13
„ 2.—Japan and foreign countries—imports	13
„ 3.—Japan and foreign countries—exports	14
„ 4.—Imports	15-18
„ 5.—Exports	19-20
Tables 6-7.—Trade of semi-open ports	21
Table 8.—Shipping of semi-open ports	22
„ 9.—Shipping, Anping and Takow.....	23

Currency.—The currency of Formosa consists of the Japanese yen divided into 100 sen.

RATE of Exchange.

					Per Yen.
					s. d.
Sight buying rate of exchange for the year					
1909—					
Maximum	...	...	...	...	2 1
Minimum	...	...	...	...	2 0 $\frac{11}{16}$
Average	...	...	...	...	2 0 $\frac{1}{8}$
Sight selling rate of exchange for the year					
1909—					
Maximum	...	...	...	...	2 0 $\frac{2}{15}$
Minimum	...	...	...	...	2 0 $\frac{1}{8}$
Average	...	...	...	...	2 0 $\frac{1}{2}$

(301)

A 2

Map and towns.—The population of the towns shown on the map are approximately as follows :—

Anping	...	...	...	...	...	6,000
Kagi	...	...	...	...	...	20,000
Tainan	...	...	...	...	...	54,000
Takow	...	...	...	...	...	6,500
Toko	...	...	...	...	...	10,000
Toseki	...	...	...	...	...	2,000

The inhabitants of the district are engaged chiefly in agricultural and fishing. There are no manufacturing towns.

Ports.—Anping and Takow are the only ports open to foreign trade. Toko, Toseki and Hokkohei, known as semi-open ports, are only open to junk traffic.

Languages.—Japanese and Chinese (Amoy dialect). English is used in foreign commercial correspondence.

Transport.—Transport into the interior away from the main line of railway is performed chiefly by coolies, sometimes by hand and bullock carts.

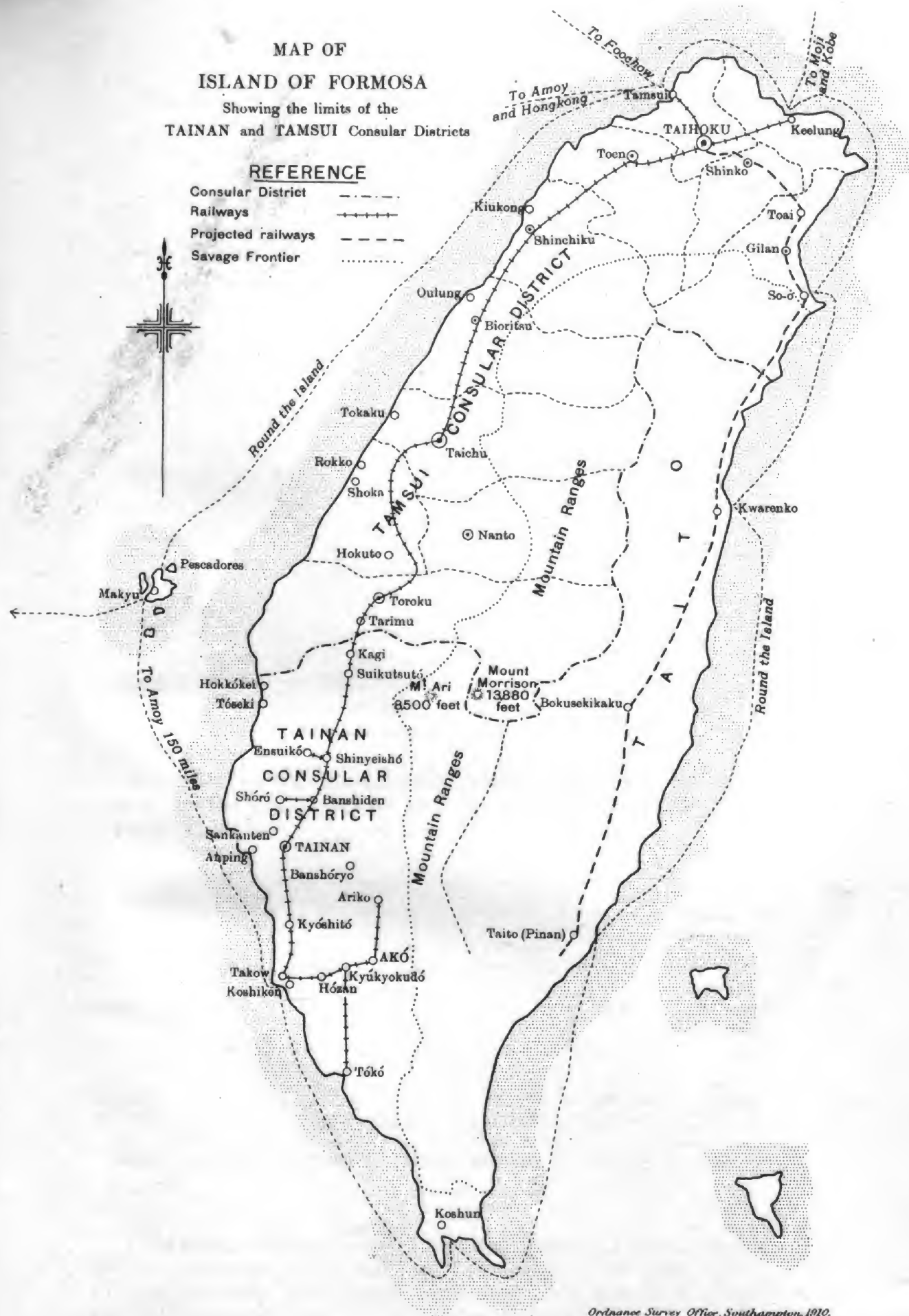
Weights.—Some of the principal weights of commercial importance, with their British equivalents, are as follows :—

1 kin or catty ...	...	...	=	1.33 lbs. avoird.
1 picul = 100 kin	...	...		133½ lbs. avoird.
84 kin or catties	...	..		1 cwt.
1,680 kin or catties	...	...		1 ton]

MAP OF
ISLAND OF FORMOSA
Showing the limits of the
TAINAN and TAMSUI Consular Districts

REFERENCE

- Consular District -----
- Railways +++++
- Projected railways - - - - -
- Savage Frontier (dotted line)



Ordnance Survey Office, Southampton, 1910.

Reference to previous Report, Annual Series No. 4249.

Report on the Trade of the Consular District of Tainan (South Formosa) for the Year 1909

By MR. ACTING-CONSUL W. M. ROYDS.

Increase of trade.—The total value of the import and export trade of the two open ports of Anping and Takow in 1909 was 4,112,330*l.* against 3,068,092*l.* in 1908, showing a total increase of 1,044,238*l.*, or more than 34 per cent., over the previous year. This, as will be shown later, is entirely due to the enormous increase in the output of sugar in this district.

The following table gives the total values of the import and export trades for the years 1907–09 and the average for the five years 1904–08:—

	1907.	1908.	1909.	Average, Five Years 1904–09.	Increase or Decrease in 1909 compared with—	
					1908.	Average, Five Years 1904–08.
	£	£	£	£	£	£
Imports	1,025,413	1,539,582	1,346,772	892,292	– 192,810	+ 454,480
Exports	1,207,192	1,528,510	2,765,558	1,135,029	+ 1,237,048	+ 1,630,529
Total	2,232,605	3,068,092	4,112,330	2,027,321	+ 1,044,238	+ 2,085,009

Total trade. Japan and foreign countries (Tables 1, 2 and 3 annexed).—The total value of the trade with foreign countries amounted to 411,576*l.*, showing, as compared with 1908, a decrease of 425,682*l.*; compared with 1907, however, there is but little difference.

The large increase in 1908 was due to the great amount of machinery imported for new sugar mills, many of which began work at the end of

that year, and thus explains the greatly increased output of sugar in 1909, as mentioned in the preceding paragraph.

Percentages of total trade.—Japan's share of the total trade in 1909 was 90 per cent. as compared with $72\frac{3}{4}$ per cent. in 1908, 82 per cent. in 1907 and $83\frac{1}{2}$ per cent. in 1906. Other countries shared approximately in the following proportions, percentages for 1908 being given for comparison :—

					1908. Per cent.	1909. Per cent.
United Kingdom	...	...	...	...	$8\frac{1}{2}$	$1\frac{1}{2}$
China	...	...	...	...	$5\frac{1}{2}$	$4\frac{1}{2}$
United States	...	...	...	...	$4\frac{1}{2}$	$1\frac{1}{2}$
Germany	...	...	...	...	$3\frac{1}{2}$	$1\frac{1}{2}$
Other countries	...	...	...	...	$5\frac{1}{2}$	$1\frac{1}{2}$

Imports (Table 2). Total import trade.—The total import trade shows a decrease of 192,810*l.* in 1909 as compared with 1908.

From foreign countries.—The total value of goods imported from foreign countries in 1909 was 366,508*l.* against 771,447*l.* in 1908, showing a decrease of 404,939*l.*

From Japan.—The total value of goods imported from Japan in 1909 was 980,264*l.* against 768,135*l.* in 1908, showing an increase of 212,129*l.*

Japan took $72\frac{3}{4}$ per cent. of the total import trade in 1909 against 50 per cent. in 1908, 69 per cent. in 1907, and 65 per cent. in 1906.

Other countries shared as follows, percentages for 1908 being given for comparison :—

					1908. Per cent.	1909. Per cent.
United Kingdom	...	...	...	...	$15\frac{1}{2}$	4
United States	...	...	...	...	9	$4\frac{2}{5}$
China	...	...	...	...	$7\frac{1}{2}$	$11\frac{1}{2}$
Germany	...	...	...	...	$6\frac{1}{2}$	$3\frac{3}{5}$
Other countries	...	...	...	...	$10\frac{1}{2}$	$3\frac{1}{2}$

Exports (Table 3). Total export trade.—The total value of the export trade in 1909 shows an increase of 1,237,048*l.* over that of 1908. As the increase in the value of sugar exported amounted to 1,373,249*l.*, the export of other commodities shows a total decrease of 136,201*l.* This is very nearly the amount by which the value of exports, not including sugar, advanced in 1908 over 1907, and probably points to the fact that the greatly increased business in sugar has left the export in other goods for the moment practically in the same position as before.

To foreign countries.—The total value of the export trade to foreign countries in 1909 was 45,068*l.* against 65,811*l.* in 1908.

To Japan.—The total value of the export trade to Japan in 1909 was 2,720,490*l.* against 1,462,699*l.* in 1908.

Japan, which takes practically all the sugar, thus had over 98 per cent. of the total export trade in 1909 as compared with $95\frac{1}{4}$ per cent. in 1908. Most of the remaining 2 per cent. went to China.

Exports in 1909 show an excess in value over imports of 1,418,786*l*. In 1908 imports exceeded exports in value by 11,072*l*.

Raw sugar.—The total amount of raw sugar exported in 1909 was 2,442,542 cwts., valued at 2,301,174*l*., against 1,188,451 cwts., valued at 927,925*l*., in 1908, showing an increase of 1,254,091 cwts. and 1,373,249*l*. In 1907 the export was 1,055,407 cwts., valued at 734,581*l*.

Review of sugar market.—In reporting on the sugar season of 1909-10, mention must first be made of the changes in the consumption tax proposed by the Japanese Government during this period, which are expected shortly to be put into force.

The present rates are as follows :—

				Per 100 Kin or 1 Picul.	
				Yen	sen.
Class 1.	Below No. 8 Dutch standard	...	...	3	0
" 2.	From No. 8 to 15...	...	...	5	50
" 3.	" 15 to 20	...	...	8	50
" 4.	Over No. 20	...	...	10	0

It is proposed to alter the rates as follows :—

				Per 100 Kin or 1 Picul.	
				Yen.	
Class 1.	Below D.S. 11	...	...	3	
" 2.	" " 15	...	...	5	
" 3.	" " 18	...	...	7	
" 4.	" " 21	...	...	8	
" 5.	" " 26	...	...	9	
" 6.	Over D.S. 26...	...	...	10	

The great bulk of the sugar produced in Formosa coming under the present Class 2, *i.e.*, from No. 8-15 Dutch standard, at 5 yen 50 sen per 100 kin, will now pay 5 yen per 100 kin. As, however, according to the complaints of sugar refiners in Japan, most of this sugar, though really over Dutch standard No. 8 in colour, was passed as Class 1 at 3 yen per 100 kin, it was feared that the new rates, which are to be strictly enforced, would throw back the industry. It is therefore proposed to grant a subsidy to planters, and cane is to be graded by the Government, and farmers paid according to this classification. The maximum subsidy to be granted will work out at about 1 yen 15 sen per 100 kin of sugar, and as under the old system of passing sugar over Dutch standard No. 8, as under Dutch standard No. 8, an unfair advantage of 2 yen 50 sen per 100 kin was reaped, under the new system, with the tax reduced by 50 sen and the subsidy amounting to 1 yen 15 sen, the difference would only amount at most to 85 sen per 100 kin less profit for the mills, which should be covered by economy and improvement in working as the efficiency of the mills increases.

In the proposed tariff. Class 3 sugar, namely that below Dutch standard No. 18 to be taxed at 7 yen per 100 kin, represents apparently what is now classed as Dutch standard 15-20 at 8 yen 50 sen per 100 kin, so the loss of 1 yen 50 sen as compared with last year, when this sugar was passed as Class 2 at 5 yen 50 sen per 100 kin, will still more nearly be covered by the subsidy of 1 yen 15 sen.

Meanwhile strict enforcement of the present rates is being made, and manufacturers are anxiously anticipating the putting in force of the suggested revised rates.

In the trade report of this district for 1908 the sugar market was reviewed up to the middle of March, 1909.

Prices for brown sugars rose slightly from then, and remained higher for the rest of the season, being from 9 yen 20 sen (18s. 9d.) to 10 yen 80 sen (1l. 2s.) according to grade, delivered at the merchants' godowns at Takow or Anping.

The 1909-10 crop opened in November with the price at 9 yen 40 sen (19s. 2d.) for low grades and 10 yen 20 sen (1l. 0s. 10d.) for high, but fell off in December and has since remained lower, from 9 yen 20 sen (18s. 9d.) to 9 yen 80 sen (1l.).

In January, 1910, the uncertainty regarding the new consumption tax, and the conditions attending the levying of the same, produced for a time an absolute state of chaos in the brown sugar business, which came practically to a standstill. No definite idea prevailed as to the classing of the sugar, and, profits being diminished owing to the increased labour required for the various examinations by the tax assessors, different methods of packing, &c., the manufacturers tried to get the farmers to lower prices. This led to much discontent and threats to burn the cane rather than sell it at a lower price, and for a time no business was possible. The cane grown in the brown sugar districts was sent, in several cases, to the centrifugal mills. The question of colour is now settled, but uniformity in this respect in the different districts not yet having been attained, much inconvenience is still being experienced. Whereas last year at Takow, moreover, it was possible to get 1,000 bags classed and passed through daily, the packing now has all to be done under inspection and, at the most, 200 bags a day are passed.

The estimate of the total amount of brown sugar to be produced was about 1,000,000 piculs, but, owing to the difficulties experienced, this amount will probably not be reached.

Of centrifugal sugar, the estimated total output this season is now (end of February) given as 1,161,000 piculs for direct consumption and 450,000 piculs for refining.

This is considerably less than the estimates made at the beginning of the crop, the proportion of sugar realised being less than was anticipated, due, among other reasons, to some damage among the new varieties of cane by insects and disease.

Prices were high at the opening of the crop in November, and much sugar was sold forward. One company sold 250,000 piculs forward at 13 yen 5 sen (1l. 6s. 8d.) out of an estimated total output (not likely now to be fully realised) of 280,000 piculs. Another company sold some of their best grade raw sugar at 14 yen 20 sen (1l. 9s.), but later there was no demand at this price. In general, prices for centrifugalled sugars ranged from 12 yen 50 sen (1l. 5s. 6d.) to 13 yen 50 sen (1l. 7s. 7d.) c.i.f. Yokohama, the higher prices being realised early in the crop.

Two factories are experimenting in the manufacture of white (refined) sugar in Formosa, that of the Ensuiko Seito Kwaisha being of No. 30 Dutch standard (called "Dai Nichi"), at a nominal price of 20 yen (2l. 0s. 10d.) per picul.

The Taiwan Seito Kwaisha has also been attempting the manufacture of rum as a by-product, but without much success at present, as the taste and smell of that so far made are said to be inferior, and to prevent its being of value as a commercial article. Further experiments are being made in order to improve the product.

In August, 1909, it was said that the total capital invested in sugar mills in Formosa was some 44,000,000 yen (4,500,000*l.*) and the profits of the largest companies from July 1, 1908, to June 30, 1909, were returned as follows :—

				£
Taiwan Seito Kwaisha	...	...	...	169,100
Ensuike Seito Kwaisha	...	...	...	82,800
Toyo Seito Kwaisha	...	...	...	68,700
Meiji Seito Kwaisha	...	...	...	61,760
Tainan Seito Kwaisha	...	...	...	51,040
Shinko Seito Kwaisha	...	...	...	27,052

With the idea of supplanting Java crude sugar in supplying the sugar refineries in Japan, an agreement was made in November, 1909, between the Taiwan, Meiji, Toyo and Ensuike companies in Formosa and the Dai Nippon, Yokohama and Kobe sugar refining companies in Japan for the supply of 250,000 piculs of crude sugar for refining during the 1909-10 crop. The agreement stipulates that the sugar shall be shipped from Formosa between January 1 and March 31, 1910, the price being fixed at 6 yen 51 sen (13*s.* 3*d.*) per picul. A special bounty is to be given by the Government on sugar for this purpose, equal to the amount received as reimbursement of customs duty on crude sugar imported from abroad and refined in Japan. Later in the season, owing to the high price of Java crude sugar and the probability of the output of centrifugalled sugar exceeding the demand, this amount was increased by another 200,000 piculs, making in all 450,000 piculs for refining purposes. As this new arrangement did not take place till February, 1910, companies which had not sold their output forward in the meanwhile should benefit somewhat by a probable rise in price resulting from the reduction of the excess of centrifugalled sugar destined for direct consumption.

With the idea of improving the cane in the island, in each district a certain proportion of the land is in future to be set apart as an experimental plantation for new kinds of improved cane. In all, some 3,800 acres are to be so set apart, and the treatment of the cane there planted is to be in accordance with the regulations issued and to be under Government supervision. Cultivators of these "model cane plantations" are to receive a bounty partly in money for planting expenses and partly in the shape of manure, amounting in all to the value of about 3*l.* 10*s.* per acre. The regulations stipulate the conditions under which planting is to take place, the date, the amount of manure to be used in addition to that supplied by the Sugar Bureau, and the reserve of young cane to be provided in case of failure of first planting, &c.

Semi-open ports.—The total trade of the three semi-open ports in this district (see Tables 6 and 7) has decreased by 8,691*l.* as compared

with 1908. The falling-off is chiefly in the export of rice to China, most of Formosa's superfluous stock now going increasingly year by year to Japan. The trade of Toko and Toseki (Hokko-kei has no longer a custom-house and has been absorbed by Toseki) is confined to junk traffic. Regular steamers between Japan and South Formosa call at Makyu, the port of the Pescadore Islands.

The oil cake mentioned in the export table is made from pea-nuts and sesamum seed, and is produced in the Toseki district, some of it, as shown in the table, being transhipped at Makyu. It goes to China.

The flour imported at Makyu is of American origin, obtained through Japan and China.

Shipping (see Table 9).—*Foreign shipping* shows in 1909 a decrease of 7 vessels and 16,246 tons as compared with 1908.

Japanese shipping shows an increase of 19 vessels and 39,973 tons in 1909 over 1908.

British shipping has decreased by 11 vessels and 18,182 tons in 1909 as compared with 1908. In 1908 most of the machinery for the various new sugar mills came out in British bottoms, whereas, in 1909, German vessels, which increased by 7 in number and 2,967 tons, brought large quantities of rails for the light railways on the sugar plantations, prices for these being cut down by the German manufacturers to a very fine point, leaving but a small margin of profit, in order to get into the market.

Takow Harbour works.—Steady progress is being made with the large scheme for making a good modern harbour at Takow, details of which were given in the trade report of this district for 1908. In 1912 the main works will be completed, after which it will be possible to handle 450,000 tons of cargo annually.

Eight steamers of 400 feet in length will be able to be berthed alongside the quays simultaneously, while buoys for separate mooring of three more steamers will be provided.

The blasting of the sunken rocks at the entrance is proceeding, and has been very successful so far.

Anping, a badly-situated open roadstead, will probably no longer be a place of call for other than an occasional tramp steamer.

Railways.—As mentioned in the trade report for 1908, the Government railway on the west coast connecting the extreme north and south of the island, was completed in that year. Since then no further extensions have taken place on this line, the improvements made being confined to an increase in the number of trains and an acceleration of the service. Two through trains now run daily between north and south, the quicker of the two doing the distance of 247 miles between Keelung and Takow in slightly under 14 hours. It is proposed to shorten this, when the time table is revised in April, by putting on an extra engine for the central part of the line, which has a steep gradient for several miles.

On the east coast, slow progress, according to the scheme arranged, is being made with the line destined eventually to connect Pinan with Taihoku. There is a very small annual outlay provided for this work, and it will be many years before much progress is seen.

Irrigation and electric power.—At the end of December, 1909, electric

light was first seen in South Formosa. The power station is situated at Chikushimon, a little to the east of Banshoryo, whence electric light and power will be supplied to the towns of Tainan, Anping, Hozan and Takow. An irrigating canal $42\frac{1}{2}$ miles in length is also to be constructed here, and another, 85 miles long, to the south branch canals, drawing supplies from these main canals and destined to irrigate the whole neighbourhood. These canals will aggregate in length about four times that of the main canals.

Arizan timber.—In the trade report for 1908 it was stated that, owing to complications with the Formosan Government concerning the exact terms of the timber concession, and also to an under-estimate of the total cost of the undertaking, the Fujita Gumi, who had planned and commenced work for the exploitation of the magnificent and rich forests of the Mount Ari district, decided to suspend operations during 1908, so that the work had made no further progress.

This question has not yet been settled, and the company meanwhile is devoting its attention to a more convenient concession further north. The difficulty lies in the amount of compensation to be given by the Government for the work already accomplished on their taking over the whole undertaking.

It is expected that a settlement will be made shortly, and that the work of tapping this almost inexhaustible supply of magnificent timber will be commenced at no very distant date. No doubt the industry has a great and profitable future before it, when once the preliminary difficulties have been overcome, as the forests are some of the finest in the world both in quality and quantity.

Pineapple industry.—Mention was made in the trade report for 1908 of the pineapple canning industry at Hozan, where about 840 acres of land are said to be cultivated for the purpose. At present this industry is not in a very hopeful condition; in fact, during 1909, work was altogether stopped for some time. The price of sugar in Formosa, owing to the protection afforded, makes it almost impossible to compete with foreign manufacturers of preserved fruits. Sugar in Formosa, the very centre of the industry, is retailed at from two to three times the price obtained in the United Kingdom. Only small cans of preserved pineapples are now being manufactured, there being no demand in Japan for the larger sizes. The total value exported to Japan is rather less than 300*l.* a year.

Fibre for making grass-cloth, the other product of the pineapple plant, shows a slight increase this year. This is exported to China for manufacture, the industry not yet being established in Formosa.

New industries established and projected. Rubber.—The prospects for rubber planting in South and Mid-Formosa are said to promise well. Wild rubber trees abound in some of the mountainous districts, and recently experiments in tapping these have been made. The juice extracted has been sent to Japan, where it is pronounced of good quality and of undoubted commercial value.

In the Ako district, the authorities are experimenting in a small way, and a number of plants of the "*Ficus Flastea*, Roxb." are being raised for the purpose. Applications are said to have been sent in to the authorities for grants of uncultivated land for rubber plantations, and these are now under consideration.

Sisal hemp.—In the south, near Ako and Koshun, the conditions are recognised as being peculiarly favourable for the planting of sisal hemp and the manufacture of fibre and Manila rope. A proposal is said to be on foot, backed by four or five large capitalists in Japan, for forming a company with a capital of 2,000,000 yen (204,160*l.*) for this purpose. The proposed site of the factory is not far from Ariko, near which place an area of about 15,000 acres of suitable uncultivated land is said to be available for planting sisal hemp.

Slate.—Very extensive deposits of slate exist along the east coast of Formosa from Pinan to So-o, and operations for quarrying it were begun in January, 1909, at two places near Pinan.

Great hopes are entertained for the future of the industry when initial difficulties have been overcome.

At the places mentioned near Pinan, operations were stopped in September, 1909, owing to its being found that the veins of slate ran in awkward directions for quarrying, and the situation of the quarries making transport of the slate very difficult and expensive. During the nine months of work, about 100,000 slates were produced, valued at about 220*l.* at the quarry. The sizes varied from 7 by 5 in. to 14 by 6 in. with a thickness of $\frac{1}{8}$ to $\frac{1}{4}$ in.

After the abandonment of this quarry, a new place in the same district conveniently situated near a river was found, and permission to commence work here from January, 1910, was obtained. Quarrying machinery of German manufacture and oil engines are being erected, and from March, 1910, a large output is expected. A big demand is anticipated from Formosa itself, which has taken all the small amount hitherto produced, and from Central and Western Japan; exports to Manchuria, Corea, &c., are also contemplated.

Oil.—Experimental boring for oil is now being undertaken in several places among the foot-hills of the mountains of South Formosa, in many parts of which oil undoubtedly exists in large quantities. The large Hoden Oil Company of Japan is interested in this project, and supplies of raw oil are expected soon to be forthcoming. The quality of that so far obtained seems rather inferior, but suitable probably for mixing with other better oils. Small amounts of superior oil have, however, also been discovered, showing that it exists.

Silk.—Wild mulberry trees grow in profusion in all the hilly districts around Banshoryo, but hitherto no attempt has been made to utilise them for silk culture. Experiments with silkworms were begun in this neighbourhood in the spring of 1909, and the results are said to have been excellent, the quality of the silk being good and the number of cocoons produced equal to that obtained in Japan. Considerable developments of this industry are expected.

Summary of conditions and outlook in South Formosa.—The development of trade in South Formosa in 1909 has been a steady continuation on the lines gradually evolved during the last few years. The sugar industry has thriven, and shows every prospect of continuing to develop fully up to the high expectations formed of it. Import and export trade, as the percentages given at the beginning of this report show, is now almost all in Japanese hands and with Japan, and is likely so to remain.

British residents.—During 1909, 31 British subjects were resident in this Consular district.

Rate of exchange.—Throughout this report exchange has been calculated at the rate of 1 gold yen equals 2s. 0½d.

Source of information.—The statistics annexed to this report have been obtained by access to the customs returns, not yet published, through the courtesy of the Japanese customs.

Table 1.—TOTAL Value of Trade with Japan and Foreign Countries during the Year 1909.

Country.	Imports.	Exports.	Total.
	£	£	£
Foreign countries—			
China	157,140	33,923	191,063
United States, including Philippine Islands	59,711	...	59,711
United Kingdom and colonies, comprising Hong-Kong only	53,953	9,144	63,097
Germany	48,806	...	48,806
Other countries	46,898	2,001	48,899
Total	366,508	45,068	411,576
Japan	980,264	2,720,490	3,700,754
Grand total	1,346,772	2,765,558	4,112,330

Table 2.—TRADE with Japan and Foreign Countries during the Years 1907-09.

TOTAL Imports.

Country.	1907.	1908.	1909.	Increase or Decrease in 1909 compared with 1908.
	£	£	£	£
Foreign countries—				
China	140,488	117,764	157,140	+ 39,376
United States, including Philippine Islands	56,805	143,808	59,711	— 84,097
United Kingdom and colonies, comprising Hong-Kong only	52,433	241,688	53,953	— 187,735
Germany	16,917	103,811	48,806	— 55,005
Other countries... ..	56,425	164,376	46,898	— 117,478
Total	323,068	771,447	366,508	— 404,939
Japan	702,345	768,135	980,264	+ 212,129
Grand total	1,025,413	1,539,582	1,346,772	— 192,810

Table 3.—TRADE with Japan and Foreign Countries during the Years 1907-09.

TOTAL Exports.

Country.	1907.	1908.	1909.	Increase or Decrease in 1909 compared with 1908.
	£	£	£	£
Foreign countries—				
China	50,938	51,891	33,923	— 17,968
United States, including Philip- pine Islands	62	870	...	— 870
United Kingdom and colonies, comprising Hong-Kong only	15,683	9,981	9,144	— 837
Other countries... ..	1,638	3,069	2,001	— 1,068
Total	68,321	65,811	45,068	— 20,743
, Japan	1,138,871	1,462,699	2,720,490	+ 1,257,791
Grand total	1,207,192	1,528,510	2,765,558	+ 1,237,048

Table 4.—RETURN showing Principal Articles of Import from Foreign Countries and Japan into the Open Ports of Anping and Takow during the Years 1908-09 and Average for the Five Years 1904-08.

(a) IMPORTS from Foreign Countries.

Articles.	1908.		1909.		Average, Five Years 1904-08.	Increase or Decrease in 1909 compared with—		Remarks.
	1908.		1909.			1908.	Average, Five Years 1904-08.	
FOREIGN GOODS.								
Cotton goods—								
Grey shirtings	Sq yards	110,048	973	106,090	821	1,174	152	353
White shirtings	"	274,441	4,403	162,633	2,508	5,019	1,895	2,511
Miscellaneous	...	...	896	...	5,678	9,014	4,782	3,336
Woolen goods, camlets and lastings	Sq. yards	17,474	619	33,370	1,088	1,537	469	449
Metals, miscellaneous	...	...	17,104	...	5,046	4,236	12,058	810
Rails and fittings	... Cwts.	225,445	88,513	9,587	29,580	34,391	58,933	4,811
Railway materials	...	...	95,167	...	11,755	28,483	83,412	16,728
Kerosene	Gallons	1,726,526	44,626	1,398,170	38,674	29,832	5,952	8,842
Ginseng	... Cwts.	35	3,633	42	3,410	3,237	223	173
Flour	...	37,350	18,353	6,904	3,715	9,880	14,638	6,165
Condensed milk	Dozens	17,949	5,356	6,146	1,303	3,145	4,053	1,842
								Chiefly American Anglo-Swiss and American

Linen and cotton mixtures	Sq. yards						Made in China from Formosan raw material	For stuffing quilts and wadded Chinese cloths
(Grass-cloths ...)	104,491	1,634	128,041	1,994	2,819	+ 360	- 825	
(Cotton, raw ... Cwta.)	15,072	378	72,888	2,358	1,323	+ 1,980	+ 1,035	
Paper (including joss-paper)	...	...	...	364	2,639	- 4,091	- 2,275	
Porcelain and earthenware	...	20,395	...	5,918	7,845	- 14,477	- 1,727	
Miscellaneous (foreign and Chinese goods)	...	7,752	...	2,565	4,057	- 5,187	- 1,492	
Total	...	277,854	...	159,523	128,333	- 118,331	+ 33,190	
	...	771,447	...	366,508	373,873	- 404,939	- 7,365	

B

RETURN showing Principal Articles of Import from Foreign Countries and Japan into the Open Ports of Anping and Takow, &c.—
continued.

(b) IMPORTS from Japan.

Articles.	1908.	1909.	Average, Five Years 1904-08.	Increase or Decrease in 1909 compared with—	
				1908.	Average, Five Years 1904-08.
	£	£	£	£	£
Beer	10,629	9,641	7,704	— 988	+ 1,937
Cement and lime	21,198	51,859	12,481	+ 30,661	+ 39,378
Cotton piece-goods	9,827	112,296	55,667	+ 102,469	+ 56,629
Drugs and medicines	17,100	17,655	8,132	+ 555	+ 9,523
Fish, salt and dried	47,960	68,062	16,726	+ 20,102	+ 51,336
Matches	18,124	21,377	15,792	+ 3,253	+ 5,585
Metalware	25,777	53,884	20,963	+ 28,107	+ 32,921
Paper	13,091	14,654	8,120	+ 1,563	+ 6,534
Provisions, tinned, &c.	7,997	94,539	14,520	+ 86,542	+ 80,019
Railway materials	18,355	40,804	13,876	+ 22,449	+ 26,928
„ machinery	6,845	3,902	7,497	— 2,943	— 3,595
Rice	4,071	5,781	4,111	+ 1,710	+ 1,670
Saké	27,501	33,250	20,956	+ 5,749	+ 12,294
Soy	6,865	8,362	4,742	+ 1,497	+ 3,620
Timber and planks	95,958	63,494	51,328	— 32,464	+ 12,166
Tobacco (cigarettes)	10,803	12,500	18,898	+ 1,697	— 6,398
Cuttle fish	2,540	12,311	3,768	+ 9,771	+ 8,543
Glass and glassware	6,061	7,852	3,359	+ 1,791	+ 4,493
Beans, peas and other grains	2,770	1,981	1,680	— 789	+ 301
Coal	16,526	30,518	7,978	+ 13,992	+ 22,540
Miscellaneous	398,137	315,542	220,121	— 82,595	+ 95,421
Total	768,135	980,264	518,419	+ 212,129	+ 461,845

Table 5.—RETURN showing Principal Articles of Export from the Open Ports of Anping and Takow during the Years 1903-09 and Average for the Five Years 1904-08.

Articles.	1908.		1909.		Average, Five Years 1904-08.		Increase or Decrease in 1909 compared with—		Remarks.
	Cwts.	£	Cwts.	£	£	£	1908.	Average, Five Years 1904-08.	
Sugar, raw—									
Brown ...	...	...	...	...	...	...	...	...
White ...	...	...	...	...	...	...	...	...
Total	...	...	...	...	...	...	...	...
Rice ...	1,188,451	927,925	2,419,082	2,278,284	691,350	£	1,350,359	+ 1,586,934	
	...	...	23,460	22,890	12,557	£	22,890	+ 10,333	
Hemp ...	1,188,451	927,925	2,442,542	2,301,174	703,907	£	1,373,249	+ 1,597,267	
Lungan—	966,010	508,888	1,337,007	373,511	320,959	£	135,377	+ 52,552	Less demand owing to abundance of crop in Japan
Dried ...	6,481	11,250	4,908	8,852	11,943	£	2,398	— 3,091	
Pulp ...	26,304	11,276	14,518	7,026	5,073	£	4,250	+ 1,953	Used as a drug; grows wild in the mountains
Turneric ...	5,277	4,988	4,538	5,175	8,775	£	187	— 3,600	Exported to Tientsin, Ningpo and Shanghai
Sesamum seed	8,911	3,905	6,969	2,599	3,975	£	1,306	— 1,376	Used for drugs. To Hong-Kong and Shanghai
Oil cake ...	8,520	5,575	2,571	1,238	3,745	£	4,337	— 2,507	
Pineapple fibre	4,531	594	6,796	884	1,673	£	290	— 789	
	319	798	427	1,032	1,584	£	234	— 552	Used for making fine grass-cloth in Swatow

RETURN showing Principal Articles of Export from the Open Ports of Anping and Takow during the Years 1908-09 and Average for the Five Years 1904-08—continued.

Articles.	1908.		1909.		Average, Five Years 1904-08.		Increase or Decrease in 1909 compared with—		Remarks.
	Cwts.	£	Cwts.	£	£	Years 1904-08.	1908.	Average, Five Years 1904-08.	
Bamboo shoots	4,500	4,212	4,689	£ 3,811	£ 189	+	£ 878	To Amoy and Hong-Kong. Used as food Including re-exports
Beans, peas and pulses	847	1,626	482	1,721	365	-	1,239	
Salt ...	346,587	10,897	283,355	9,409	24,882	1,488	-	15,473	
Miscellaneous	37,067	...	49,487	42,981	12,420	+	6,506	
Total	1,528,510	...	2,765,558	1,135,029	1,237,048	+	1,630,529	

TAINAN.

Table 6.—RETURN showing Principal Articles of Import into the Ports of Toko, Toseki and Makyu (Pescadores) during the Year 1909.

Articles.	Toko.		Toseki.		Makyu.		Total.	
		£		£		£		£
Flour ... Cwts.	179	91	...	...	3,375	2,212	3,554	2,303
Provisions, as-sorted ...	...	359	...	98	...	3,687	...	4,144
Rice ... Cwts.	...	...	...	...	4,449	2,577	4,449	2,577
Metals and metalware ...	...	107	...	304	...	895	...	1,306
Cotton piece-goods ...	...	8	...	340	...	2,313	...	2,661
Saké ...	...	...	...	...	...	1,194	...	1,194
Timber and planks ...	...	672	...	5,107	...	2,116	...	7,895
Iron pans Cwts.	1,509	1,098	2,462	1,382	521	325	4,492	2,805
Kerosene Gallons	2,200	72	1,695	59	23,915	727	27,810	858
Porcelain and earthenware...	...	1,169	...	1,975	...	502	...	3,646
Paper (including joss-paper) ...	...	269	...	971	...	573	...	1,813
Miscellaneous ...	...	2,461	...	4,185	...	8,914	...	15,560
Total ...	...	6,306	...	14,421	...	26,035	...	46,762

Table 7.—RETURN showing Principal Articles of Export from the Ports of Toko, Toseki and Makyu (Pescadores) during the Year 1909.

Articles.	Toko.		Toseki.		Makyu (Pescadores).		Total.	
	Cwts.	£	Cwts.	£	Cwts.	£	Cwts.	£
Rice—								
Hulled ...	3,308	844	3,674	992	...	...	6,982	1,836
Unhulled ...	4,191	672	92	19	...	...	4,283	691
Sesamum seed ...	701	340	9,019	3,413	147	69	9,867	3,822
Lungan, dried ...	...	...	499	175	...	...	499	175
Hemp ...	72	105	37	59	21	27	130	191
Oil cake ...	...	...	16,163	1,502	13,036	2,805	29,199	4,307
Peas ...	191	55	4,848	1,177	1,376	559	6,415	1,791
Miscellaneous ...	...	695	...	1,581	...	3,649	...	5,925
Total ...	...	2,711	...	8,918	...	7,109	...	18,738

Table 8.—RETURN of all Shipping (exclusive of Junks, Coastwise) at the Ports of Toko, Toseki and Makyu (Pescadores) during the Year 1909.

ENTERED (Junks).

Port.	Japanese.		Chinese.		Total.	
	Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Toko	6	150	34	533	40	683
Toseki	39	826	97	2,222	136	3,048
Makyu (Pescadores)	28	540	10	139	38	679
Total	73	1,516	141	2,894	214	4,410

NOTE.—84 Japanese coasting steamers of 123,452 tons entered and cleared at the port of Makyu (Pescadores) during the year 1909. At the other ports mentioned no steamers entered or cleared, junks only being permitted at these semi-open ports for foreign trade.

Table 9.—RETURN of all Shipping at the Open Ports of Anping and Takow during the Years 1908-09.

ENTERED.

Nationality.	Year.	Steam.		Sailing.		Total.	
		Vessels.	Tonnage.	Vessels.	Tonnage.	Vessels.	Tonnage.
Foreign-going—							
British ...	1908	16	39,017	...	...	16	39,017
	1909	5	20,835	...	...	5	20,835
German ...	1908	3	8,162	...	...	3	8,162
	1909	10	11,129	...	...	10	11,129
Danish ...	1909	1	2,488	...	...	1	2,488
Norwegian ...	1908	4	3,519	...	...	4	3,519
Japanese ...	1908	50	59,616	...	...	50	59,616
	1909	69	99,589	...	...	69	99,589
Total ...	1908	73	110,314	...	...	73	110,314
	1909	85	134,041	...	...	85	134,041
Coasting—							
Japanese ...	1908	336	530,181	...	...	336	530,181
	1909	522	752,728	...	...	522	752,728
Junks, foreign-going—							
British ...	1908	...	...	2	36	2	36
	1909	...	...	1	46	1	46
Japanese ...	1908	...	...	87	2,433	87	2,433
	1909	...	...	70	1,956	70	1,956
Chinese ...	1908	...	...	113	3,315	113	3,315
	1909	...	...	87	2,584	87	2,584
Total ...	1908	...	...	202	5,784	202	5,784
	1909	...	...	158	4,586	158	4,586
Recapitulation—							
Foreign-going ...	1908	73	110,314	...	...	73	110,314
	1909	85	134,041	...	...	85	134,041
Coasting ...	1908	336	530,181	...	...	336	530,181
	1909	522	752,728	...	...	522	752,728
Junks, foreign-going ...	1908	...	...	202	5,784	202	5,784
	1909	...	...	158	4,586	158	4,586
Grand total ...	1908	409	640,495	202	5,784	611	646,279
	1909	607	886,769	158	4,586	765	891,355

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